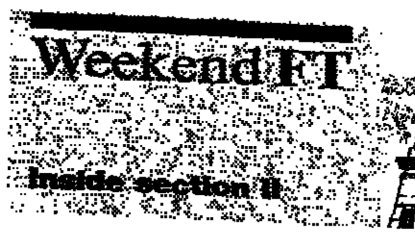

Weekend FT

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A chorus of approval at the opera house

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Dress code of the English country set

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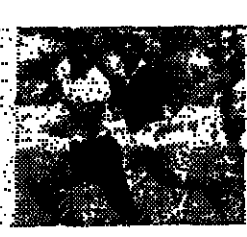

Rugby sevens: more than half the fun

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EBRD

The bank defends itself

Page 7

FINANCIAL TIMES

Europe's Business Newspaper

WEEKEND APRIL 17/APRIL 18 1993

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Leyland Daf wins order for return of unsold trucks

Leyland Daf, the UK truck company in administrative receivership, won a High Court order for the return to Britain of 210 unsold trucks which were *shipped to the Netherlands* over the Easter holiday without its knowledge. Contractors Edcrest and its Dutch parent company GM de Rooy, which are in dispute with the failed manufacturer over unpaid bills, moved the trucks – worth about £4m – from a compound at Leyland's Lancashire plant to de Rooy's base near Eindhoven.

Yeltsin mocked: Russian businessmen in Moscow drowned President Boris Yeltsin's words with laughter when he told them inflation had fallen since January. Industrialists insist it is still soaring and say the pace of change has pushed many companies close to bankruptcy. Page 2

Palestinians seek delay: Palestinians want to postpone resumption of the Middle East peace talks due to start in Washington on Tuesday in protest against the unresolved fate of more than 400 Palestinians expelled from Israel to Lebanon. *Page 3*

Uni Storebrand: A breakthrough in talks *between creditors and potential investors* is expected to lead soon to a financial restructuring plan for Norway's biggest insurance group, which collapsed in August. Page 10

BICC, the cables and construction group, became the latest UK company to offer an enhanced scrip dividend. Shareholders will have the choice of a net final dividend of 13.25p or a higher dividend of 19.875p in shares. Page 8

Genentech, the California-based biotechnology concern taken over by Roche Holdings of Switzerland, improved first-quarter net income to $14.3m (£9.4m) – *more than four times the figure* a year ago – on turnover 19 per cent higher. Page 10

Insurance advice 'abysmal': Advice offered to people buying insurance policies was of poor quality and sometimes "abysmal", the Consumers' Association said. The criticism follows CA checks on 82 intermediaries in six towns. Page 4

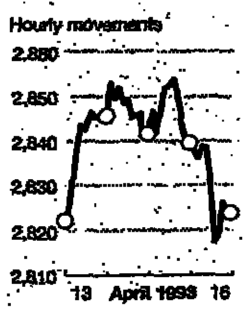
Hole in security net: Another prisoner escaped from a court guarded by Group 4 Court Services, Britain's first private prison escort service. The incident means there have been five escapes and two wrong releases since Group 4 took on prisoner escort services last week. Page 5

Water debate: Water consumers' acute anxiety about rising bills means some water companies may seek regulators' consent to delay expensive modernisation. The level of customers' concern emerges from the first *national surveys of their* attitudes. Page 5

Au pair found safe: German au pair Simone Schleiffer, 20, missing for almost two weeks from the north London house where she worked, was found safe and well in the Irish city of Galway.

FT-SE 100 Index

Hourly movements



London equities: *A week which saw* evidence for recovery in the UK economy ended with a disappointing performance by London shares yesterday as dealers reacted to the latest inflation figures. The FT-SE 100 index finished Friday's session 15.3 lower at 2,824.4, leaving the index only 2.4 higher than at the start of the week. Page 13; Lex, Page 22; Markets, Weekend FT Page II

Radiation fine: The United Kingdom Atomic Energy Authority was fined £8,000 with £10,510 costs after a court heard that two workers were exposed to radiation at Harwell Laboratory, Oxfordshire.

County faces tax challenge: Welsh secretary David Hunt is taking Gwent County Council *to court over the level of this year's council tax.* Mr Hunt claims Gwent may not have complied with the legislation in setting its council tax.

Not deceased: Firemen in Horsham, Sussex, saved a suffocating parrot by giving it oxygen from their *breathing apparatus. Jack was found* unconscious in its cage, legs in the air, after its owners fled a fire in their house. "It was a very inert parrot when we found it," the fire brigade said.

■ STOCK MARKET INDICES		
FT-SE 100:	2824.4	(-15.3)
Yield	4.03	
FT-SE Eurotrack 100	1159.81	(+3.21)
FT-A All-Share	1396.07	(-0.4%)
Nikkei	20,297.86	(-377.98)
New York lunchtime		
Dow Jones Ind Ave	3463.75	(+7.83)
S&P Composite	448.27	(-0.13)
■ US LUNCHTIME RATES		
Federal Funds:	2 15/16%	
3-mo Treas Bills: Yld	2.89%	
Long Bond	104 3/32	
Yield	6.752%	
■ LONDON MONEY		
3-mo Interbank	6 1/8%	(6%)
Liffe long gilt future:	Jun 105 3/8	(Jun 106 11/32)
■ NORTH SEA OIL (Argus)		
Brent 15-day (May)	$18.67	(18.81)
■ Gold		
New York Comex June	$339.9	(338.3)
London	$338.85	(338.15)

■ STERLING		
New York lunchtime:		
$	1.5255	
London:		
$	1.5265	(1.5465)
DM	2.4625	(2.4775)
FFr	8.3225	(8.37)
SFr	2.2525	(2.26)
Y	171.75	(175.0)
£ Index	80.0	(80.8)
■ DOLLAR		
New York lunchtime:		
DM	1.614	
FFr	5.4565	
SFr	1.4765	
Y	112.45	
London:		
DM	1.6135	(1.6025)
FFr	5.4625	(5.4125)
SFr	1.476	(1.462)
Y	112.6	(113.2)
$ Index	64.6	(64.3)
Tokyo close Y 112.95		

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Lord Owen says west should consider bombing roads and bridges

US warning as Serb forces close in on Srebrenica

By Jurek Martin in Washington, Robert Mauthner in London and Laura Silber in Belgrade

UN prepares for Srebrenica's evacuation .... Page 2
Smith seeks air strikes on Serb lines .... Page 4

THE US explicitly warned *Bosnia's Serbs yesterday that it* would seek immediate international sanctions if the besieged Moslem town of Srebrenica were captured.

Mr Warren Christopher, the secretary of state, told Russian diplomats that, if the town fell, the US would *not* wait until after the Russian referendum on April 25 to seek additional option *UN* sanctions. Russia and Serbia have traditionally been allies, and Washington had originally promised the delay in order not to jeopardise *the position of President* Boris Yeltsin.

Serb forces yesterday advanced to within 1km of Srebrenica, the former silver-mining town which has come to symbolise Bosnian resistance against Serbia. Its surrender is *likely to sound the death knell* of other Moslem-held strongholds such as Gorazde and Zepa, to the south.

Mr Kemal Muftic, an aide to Bosnian president Alija Izetbegovic, said talks were under way on the terms of surrender *of Srebrenica. "The most important* thing is to avoid a massacre," he said.

About 50 UN lorries were on standby to evacuate tens of thousands of Moslems from the town, swollen to a population of an estimated 30,000-50,000 inhabitants by a huge influx of refugees from the surrounding area. During the past week some 60 people have been reported killed and many more wounded by a relentless Serb bombardment.

Mr George Stephanopoulos, the White House spokesman, said Mr Christopher had conveyed *the message that* "all bets were off on the sanctions resolution if Srebrenica were to fall or surrender." This constitutes a plea to Moscow to try to use whatever influence it commands to restrain the Serbian side.

The US did not specify what additional measures it would seek, though one unidentified Defence Department official was quoted as saying that bombing Bosnian Serb military installations was under consideration.

Commenting briefly before his White house meeting with Mr Kiichi Miyazawa, the Japanese prime minister, President Bill Clinton ruled nothing in or out, beyond repeating that the *despatch of US ground troops* was not under consideration.

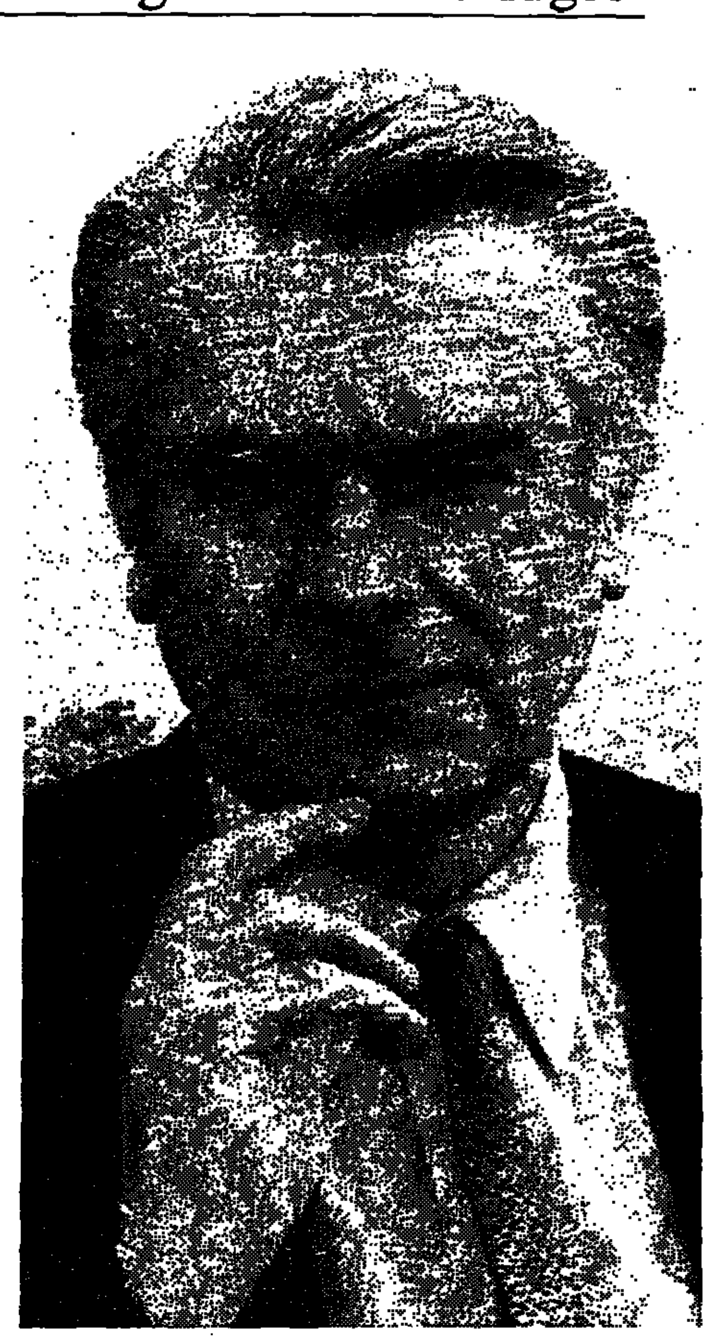
Mr Stephanopoulos said that the *UN Security Council* session due to be held later last night would feature "a great deal of sentiment" for additional action should Srebrenica fall. Mr Christopher, he added, had told the Russians that it "would be intolerable for us to stand aside."

The US warning coincided with a statement by Mr Douglas Hurd, the British foreign secretary, calling for existing economic sanctions against Serbia to be tightened into a full blockade. He also proposed the *appointment of "a heavyweight* international figure" to ensure the full compliance and enforcement of sanctions.

Contributing to the crescendo of calls for international action against the Serbs, Lord Owen, one of the international media*tors for a peace settlement, said* the time had come for the world to consider the selective bombing of roads and bridges in Bosnia, to stop supplies reaching the Bosnian Serb forces.

"If the Serbian government in Belgrade will not cut off those *supplies, then we should inter*dict them from the air and cut

Continued on Page 22



Lord Owen yesterday: the world should now consider bombing roads and bridges in Bosnia to stop supplies reaching the Serb forces

EBRD is told to provide spending details

By Robert Peston in London and Kevin Brown in Sydney

THE 56 countries and international agencies which own the European Bank for Reconstruction and Development have asked the bank's executives for a *detailed breakdown of how it* spent £55.5m on furnishing and equipping its offices.

The 23 directors of the bank, which represent these countries and agencies, have also asked for proof that "proper procurement policies" were followed and that the bank received the best prices for in the construction.

One director said yesterday *that the bank's board,* unhappy about last year's process of fixing the budget which was eventually set at Ecu136m (£108m) for administrative costs, has prepared a working paper to ensure they receive more detailed information from the banks' executives when fixing future budgets.

Canada's representative, Mr Don McCutchan, was so concerned he asked Mr Jacques Attali, the bank's president, to record his refusal to approve the 1993 budget when it was passed by the board on December 14.

The Australian representative, Mr Jim Humphreys, is also *said* to have protested to Mr Attali about lax control on spending by the bank, including the cost of its London headquarters, which the Australian government believes was excessive.

Mr Humphreys felt so strongly about the allocation of £52,000 for a staff Christmas party last *December that he* wrote to Mr Attali refusing to attend. He felt it was an "inappropriate" way to spend shareholders' funds.

Building contractors said yes*terday the bank had spent about* £2.5m on joinery for panelling, door frames and doors. It had bought 600 desks, designed by leading architect Norman Foster, for more than £600 each.

Mr Anders Ljungh, the EBRD's vice president in charge of finance, said that the building had been fitted out within budget and that good prices were

Continued on Page 22
City rejects £1¼m tent, Page 2
Bank at Europe's heart, Page 7

Record loss as Lloyd's plans restructuring

By Richard Lapper

LLOYD'S of London hopes to soften the shock of another record loss totalling more than £2bn by announcing plans within the next few weeks for a radical restructuring of the insurance *market's operations.*

The Lloyd's "business plan", however, will not provide for an immediate settlement to the legal actions dogging the market, disappointing thousands of loss-making Lloyd's Names.

Negotiations to achieve an out-of-court settlement will continue, but Lloyd's appears to be resigned to a continuation of more than a dozen legal actions between Names – the individuals whose assets support the market – and their the agents who organise their affairs.

*The market's governing coun*cil hopes its new business plan will re-establish confidence in the market by paving the way for a substantial injection of corporate capital as early as January 1994.

It is understood that Lloyd's council has agreed in principle that corporate investors would be "ring-fenced" from the heavy potential losses that are emerging from liability business underwritten in the past.

Lloyd's faces claims of several billion pounds as a result of asbestosis and pollution awards in the US.

The price for such "ring-fencing" would be a higher contribution by the new participants into *Lloyd's central reserve fund,* which meets claims when Names are unable to fulfil their obligations. Corporate investors, who have hitherto been excluded from providing capital for the market, might also be asked to pay an entrance fee.

The council hopes that publication of the business plan will take some of the sting from the announcement in June that 1990 *saw another year of record* losses.

Continued on Page 22

Clinton tells Japan it must 'rebalance' its trade with US

By Jurek Martin in Washington

PRESIDENT Bill Clinton yesterday delivered what amounted to a public lecture to Japan on the need for "rebalancing" its bilateral economic and trading relationship with the US.

Mr Clinton confirmed that the US would seek specific targets for exports in selected markets *in Japan. "We are concerned not* only by how much we sell, but by what we sell," he said.

His comments came at a joint press conference after morning White House meetings with Mr Kiichi Miyazawa, the Japanese prime minister. Mr Clinton was complimentary about Japan's achievements and implied few disagreements on issues such as *regional security.* However, he focused most of his remarks on the imperative of forging a new, economically led relationship in the post-Cold War era.

"Economics have been at the heart of our discussions," he said, with Japan's persistent *trade and current*-account surpluses and "inadequate market access" at the top of the agenda.

Clinton acts on impasse, Page 3
Editorial Comment, Page 6

Hopes rise on early end to rail dispute

By Robert Taylor, Neil Buckley and Richard Donkin

HOPES ROSE last night that the rail dispute might be resolved early next week *after union officials* said British Rail appeared to be shifting its attitude toward compulsory redundancies and the use of contract labour.

The executive of the RMT union meets on Monday to decide its next move after yesterday's second 24-hour strike, with an early resumption of negotiations with British Rail now probable.

Union officials said last night BR seemed to be "edging forward" and there was "the basis for a restart of talks".

The optimism came after Sir Bob Reid, BR chairman, wrote to Mr John Prescott, Labour's transport spokesman, stating: "The board has no plans currently for any compulsory redundancies.

"No employer can give such an unqualified *guarantee on job* security as no compulsory redundancies, although BR's record here is good with relocation and retraining resulting in almost all displaced staff who wished to stay in the industry being able to do so."

Sir Bob added that the board could not give any unconditional guarantee to limit contracting of services "where this can be done safely and efficiently". But he pointed out to Mr Prescott that: "We have no plans for a major extension of the use of contrac*tors in the area of track mainte*nance during the next couple of years.

"The board is continuing to seek to resume discussions and to dissuade the union from taking further damaging industrial action," Sir Bob concluded.

Last night Mr Prescott said the letter indicated "a change in BR's attitude". He called for the inter*vention of conciliation service* Acas to help resolve the conflict. "There is no reason why an agreement should *not* now be reached to bring this dispute to a conclusion," he said.

Yesterday's 24-hour rail strike did not prevent thousands of railway commuters reaching work while others took the day off or worked from home.

In London the Stock Exchange and Lloyd's said they were not affected. Mr Peter Stillwell, vice-president of London's Oxford Street Association and manager of Marks and Spencer at Marble Arch, said the strike had "a very considerable effect" on the central London retail trade.

Miners on strike, Page 4

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Austria Sch30; Bahrain Din1.250; Bermuda $1.85; Belgium BFr60; China Fen 15.0; Canada C$1.40; *Cyprus C£1.00; Czech Rep Kcs45*; Denmark DKr15.00; Egypt E£4.50; Finland Fmk12; France FFr8.50; Germany DM3.30; Greece Dr300; Hong Kong HK$16; Hungary Ft172; Iceland IKR180; India Rup40; Indonesia Rp3,800; Israel NS5.90; Italy L2700; Japan Y500; Jordan JD1.50; Korea Won 2500; Kuwait Fils.600; Lebanon $US1.25; Luxembourg LFr60; Malaysia Rin4.50; Malta Lm0.60; Morocco Dh13.00; Nigeria Naira30.00; Netherlands Fl3.75; Norway Nkr16.00; Oman OR1.50; Pakistan Rs85; Philippines Pso 45; Poland Zl 22,000; Portugal Esc215; Qatar QR12.00; S.Arabia Rls11.00; Singapore S$4.10; Slovak Rep KSL45; Spain Pta200; Sri Lanka Rup30; Sweden SKr15.00; Switzerland SFr3.20; Taiwan NT$65; *Thailand Bht50; Tunisia* Din1.250; Turkey L7000; UAE Dh11.00; USA $1.25 (Alaska & Hawaii $1.75)

No 32,040 Week No 15

LONDON · PARIS · FRANKFURT · NEW YORK · TOKYO

Institutions defend pay increases against opposition of rich member countries

World Bank, IMF wage bills to rise by 6%

By George Graham in Washington

DIRECTORS of the International Monetary Fund and the World Bank have voted for a pay increase that will increase wage bills at the two Washington-based institutions next year by more than 6 per cent.

Despite opposition from the US, UK, Canada and Australia, which together represent a third of the voting capital of the IMF and World Bank, the two boards this week approved a pay increase of 4.6 per cent with effect from May 1.

This will result, because of additional recruitment and pension costs, in a rise of 6.9 per cent in the IMF's total personnel bill, budgeted at $273m (£180.7m) for the year ending April 30.

At the World Bank, staff costs will rise by 6.2 per cent from $804m budgeted for year ending June 30.

Bank and Fund officials said the pay rises were based on comparisons of public and private sector salaries in the US, France and Germany, collected by Hay Associates, a consulting company. The move, at a time when the US plans to freeze federal workers' pay and other countries are actually rolling back civil service salaries, was attacked by outside critics of the two institutions as well as by some inside the two institutions.

"Considering that the donor countries are financing an institution that is not performing well, to pat themselves on the back and give themselves a raise is not the thing to do," said Ms Peggy Hallward of Probe International, an environmental group that has criticised many World Bank projects in the developing world.

"We can't restrain our appetites," added one Bank official.

The World Bank and IMF pay rise also follows a week of intense criticism of lavish spending at the European Bank for Reconstruction and Development, a similar multilateral financial institution. Mr Norman Lamont, the UK chancellor of the exchequer, and Mr Theo Waigel, the German finance minister, have raised questions about EBRD salaries, travel and office expenses.

Opponents of the pay rise believe it is particularly unfortunate because it could increase hostility in the US Congress towards funding the US commitment to give $3.75bn for the 10th replenishment of the International Development Association, a World Bank offshoot which provides loans at concessional rates to the poorest developing countries.

The administration has included $1.25bn for the first tranche of this commitment in its budget for 1994.

Officials from the Bank and the Fund said this year's pay rise reflected historical data. The US pay freeze would show up in next year's calculations.

They also noted that they had to pay competitive salaries to ensure their ability to recruit internationally, adding that staff who moved to Washington often came with spouses who had to give up jobs in their home countries.

Both the Bank and the Fund have often been criticised in the past for adding subsidies, perquisites and substantial travel expenses to already generous salaries.

Neither institution would provide salary figures, but independent guesses estimate the average for the World Bank group's 7,000 employees at over $70,000 a year, and for the 2,200 IMF staff at around $80,000 a year. Since non-US citizens are not subject to tax, equivalent taxable salaries would be much higher.

Mr Lewis Preston, president of the World Bank, and Mr Michel Camdessus, managing director of the IMF, earn $190,000 a year plus a representational allowance of $95,000 – salaries which were substantially increased in 1991, at Mr Camdessus's insistence, to retain parity with Mr Jacques Attali, president of the EBRD.

Criticism of the World Bank has been particularly barbed because of its role in helping poor, developing nations.

City turned down £1.5m tent for EBRD

By Vanessa Houlder, Andrew Jack and Alice Rawsthorn

THE EBRD approached the Corporation of London last autumn with a request that it should spend £1.5m on a temporary structure for the bank's annual meeting, which is being held next week.

The bank drew up plans to build a large tented structure in Spitalfields, across the road from its Bishopsgate building in London. The proposals included a bridge, to be installed by helicopter, that would link the two buildings for the duration of the meeting, to provide extra security for its senior delegates.

The corporation, asked to provide the accommodation for the meeting as a welcoming gesture, rejected the proposal as too expensive.

The corporation also rejected an earlier proposal that it should consider building a permanent conference centre, which could then be used for the bank's meeting, on the Spitalfields site at a cost of £14m.

The EBRD's difficulties in finding a conference centre large enough to accommodate the 4,500 people expected to attend its annual meeting began at the end of last summer, when it decided to hold the meeting in London.

More details emerged yesterday of the materials and furniture which went into decorating and fitting out the EBRD's new headquarters.

According to suppliers expenditure included:

- Joinery for panelling, door frames and doors worth about £2.5m, including large amounts of crown-cut sycamore.
- 600 desks made of steel and glass to a design by Norman Foster costing more than £600 each, supplied by Techno of Italy.
- A custom-made carpet in a wide range of shades of green provided by Tyndale in London, designed to ensure that it appeared to be the same colour regardless of the different lighting.
- Raised flooring from System Floors at a cost of more than £1.3m, including 2,000 square metres on the first floor in Italian white veined marble and 30,000 square metres of a more basic design on 11 other floors.
- A designer bar furnished with 100 chairs representing European furniture throughout the century in the style of famous designers including Le Corbusier.

Mr Jean-Louis Berthet, founding partner of the firm of architects responsible for the design of the EBRD's headquarters is a prominent figure in French design.

He has worked on a number of commissions for Mr Saddam Hussein, president of Iraq, including the interior design of the presidential palace in Baghdad in 1979, the Saddam Hussein International Airport in 1981 and the Council of Ministers building in 1984.

The EBRD refused to comment on the way in which the architects were selected, or on other aspects of the costs of refurbishing their headquarters in Broadgate, London, as further details emerged of the high quality materials used.

"We answer to our shareholders and everything has been completed within budget. We have been extraordinarily transparent this week. Enough is enough," a spokeswoman said last night.

Mr Jacques Attali, the president of the EBRD, wrote the preface to a book about the work of the Berthet-Pochy firm published in the late 1980s by EPA Editions in Paris. He emphasised his belief in the importance of interior design. "Certain kings of France," he wrote, "are better known for their chairs than their achievements."

NEWS IN BRIEF

Irish cut short-term interest rate again

IRELAND'S Central Bank yesterday reduced its short term facility (STF) interest rate by half a percentage point to 9 per cent, the seventh reduction in the official rate in eight weeks, writes Tim Coone in Dublin.

The STF is the rate which underpins wholesale money market rates and is now at its lowest level in four years.

Wholesale money rates in Dublin soared to as high as 100 per cent during autumn's ERM currency crisis, as the Central Bank struggled to defend the punt against speculative attacks and exhausted its foreign currency reserves.

The punt's devaluation in January however, and the easing of German interest rates, has since enabled the Central Bank substantially to rebuild reserves and therefore sharply to reduce interest rates in the Irish market.

Brussels passes missile deal

Short Brothers, the UK aeronautics company, and Thomson-CSF, the French defence manufacturer, can proceed with a planned joint venture to produce missile defence systems, European Commission merger authorities announced yesterday, writes Lionel Barber in Brussels.

Finnish foreign minister named

Farmers' leader Mr Heikki Haavisto will replace Mr Paavo Vayrynen as Finnish foreign minister, a senior government official said yesterday, Reuter reports from Helsinki. Mr Haavisto is known to be a critic of proposed Finnish membership of the European Community although he is showing signs of softening his anti-EC stance.

Finland applied to the EC in March last year and the government aims for membership in 1995 after a referendum. But public support for joining the Community has declined.

Mr Vayrynen said this week he would leave the four-party coalition government led by his agrarian-based Centre party to concentrate on campaigning for the presidential election in January next year.

Slovaks take to the streets

More than 4,500 Slovaks took to the streets yesterday in Slovakia's biggest labour protest against government policies since independence on January 1, Reuter reports from Bratislava. At a mass rally outside the headquarters of the Slovak Confederation of Trade Unions, speakers accused the government of Prime Minister Vladimir Meciar of failing to cope with Slovakia's rapidly deteriorating economy.

Trade union leaders have been alarmed by forecasts that unemployment will reach 20 per cent this year.

Mexican press bribery claimed

Mexico's attorney general's office said yesterday drug traffickers were buying and bribing their way into provincial newspapers in an attempt to influence coverage of drug and police matters, Reuter reports from Mexico City.

The statement said some journalists and law enforcement officials were taking bribes from traffickers to provide leaks and articles. The attorney general's office leads the fight against drug trafficking in Mexico.

It named no individual journalists.

UN prepares for Srebrenica's evacuation

The enclave's fall would be a devastating blow to Moslem-led forces, writes **Laura Silber**

UN RELIEF workers yesterday finalised plans to evacuate tens of thousands of civilians from Srebrenica, as Serb forces tightened their stranglehold on the enclave in eastern Bosnia.

The fall of Srebrenica would be a devastating blow to the Moslem-led Bosnian forces. One of the few remaining strongholds in the once mostly Moslem region of eastern Bosnia, it has become a symbol of resistance against Serb forces.

Conflicting radio messages yesterday were the only reports out of Srebrenica, cut off from the outside world for a year by a Serb siege. Crowded with Moslem refugees from the Serb onslaught on neighbouring towns in eastern Bosnia, Srebrenica's population has swollen to some many times its original size.

Bosnian leaders broadcast desperate appeals to the outside world for help in defending the town. "It is a question of hours... of whether they will be slaughtered or run over by tanks," said Mr Stefan Siber, a Bosnian official.

Amateur radio reports received in Sarajevo said Serb forces had stepped up their shelling of the town. They described panic among the battered population, hiding in underground shelters. Most are hungry, suffering scabies and body lice.

Serbian television said Serb forces had come within 1km of the town.

UN reports from Srebrenica said Serb attacks had subsided to two shells an hour, in the foothills of the Drina River valley. "We have been saying since February that Srebrenica would fall if some protective measures were not taken," said Mr Laurens Jolles of the Belgrade office of the UN High Commissioner for Refugees.

It is likely that Serb forces, after seizing control of Srebrenica, would seek to advance on the two other Bosnian government strongholds, Gorazde and Zepa, to the south.

This would further undermine the international peace plan on Bosnia which envisages Moslem control of most of eastern Bosnia, on the frontier with Serbia. Bosnian Serbs have rejected the proposed maps because it separates Serb-designated provinces from Serbia.

The fall of nearby Kamenica, which cut off a vital route to Srebrenica, left it completely vulnerable. Further, Croat forces severed supply lines into Moslem-held territory which helped Serb forces advance on the badly outgunned Bosnian fighters.

UN officials believe an artillery attack on Srebrenica on Monday, which claimed at least 56 lives, left local military leaders reeling with little hope of defending the town. "I saw bodies everywhere. The streets had been packed with people, taking advantage of a lull in the fighting to get out because they live in hellish conditions," says Mr Louis Gentile of the UNHCR, who was in the town centre.

"Serb artillery guns pounded the town from north to south for over an hour in an attack clearly designed to hit the main street. They [Serb forces] can probably lob the odd shell without orders. But for the mass and systematic shelling, approval must have come from above," he added.

Refugees from Srebrenica tell how special forces from the Yugoslav army have been operating around the town. "The people who are attacking us are not from Srebrenica. I lived there; I know who is local and who isn't. They are from Serbia," said Mrs Azreta Habibovic, a Moslem refugee who recently fled Srebrenica to Tuzla.

UN officials have confirmed reports of Yugoslav Army presence in the area. Diplomats based in Belgrade also say there is evidence of army involvement crossing from Serbia to Skelani, just south of Srebrenica.

A US pilot runs past F-18 Hornet aircraft on the deck of the carrier USS Roosevelt in the Adriatic, where it is participating in enforcement of the no-fly zone over Bosnia

Germany will not take part in Yugoslavia bombing

By Judy Dempsey in Berlin

GERMANY will not take part in any Nato-backed selective bombing in the former Yugoslavia because of constitutional constraints and its legacy in the Balkans in the second world war, the Foreign Ministry said yesterday.

Although the constitutional court last week allowed German-manned Awacs aircraft to help impose a United Nations no-fly zone over Bosnia, the ministry stressed this was a "one-off" arrangement.

"We fully understand the emotion and engagement of David Owen facing these terrible pictures of the Serb offensive in Srebrenica. We have lost any belief in the Serbs' will to find an honest and peaceful compromise," said Mr Hanns Schumacher of the Foreign Ministry. "The next step can only be the tightening of the sanctions, although the idea for selective bombing has been proposed before."

"As regards military steps by Germany in the former Yugoslavia, everybody knows [about] our constitution and our historical burden. We do not want to participate in a public debate about our participation."

Germany's involvement in military activities outside the Nato area is constrained by the interpretation of the constitution, though Chancellor Helmut Kohl and his Christian Democratic Union want greater German involvement in UN peacekeeping activities. Even if the constitution was amended to state specifically Germany's military role in the post-cold war era, Mr Schumacher said, "there is a clear majority" in the Bundestag, or lower house of parliament, against involving German soldiers in Yugoslavia.

A Nazi-backed regime was set up in Croatia during the second world war.

Yeltsin suffers attacks on two fronts

By John Lloyd in Moscow and Dmitri Volkov in Minsk

PRESIDENT Boris Yeltsin of Russia sustained attacks on two fronts yesterday, as his vice president accused the president's closest associates of corruption and Russian industrialists laughed at his claim that the worst was over in the economy andinflation was going.

The ferocious attack from General Alexander Rutskoi, in his capacity as inter-departmental fighter against corruption to the Russian Supreme Soviet, accused Mr Mikhail Poltaranin, head of the federal information service, and Mr Gennady Burbulis, former first deputy prime minister and until recently the closest of Mr Yeltsin's advisers, of being involved in crime rings.

Mr Burbulis, he alleged, was implicated in the "Red Mercury" scandal, in which a company in Ekaterinburg (the former base, as Sverdlovsk, of Mr Yeltsin) called Promecologia had received monopoly export rights for mercury.

Mr Poltaranin was implicated in the theft of money for the sale of former Red Army property in Berlin, and in the diversion of German aid to the Russian military to build houses, he said. Making explicit the link between criminal circles and radical reform, Gen Rutskoi said in his speech to parliament that officials most involved in corruption "are very interested that the present course of reform be maintained, since it's filling their pockets".

Striking the populist note for which he is famous and which could make him a formidable electoral opponent of Mr Yeltsin, Gen Rutskoi said: "The people of Russia were robbed twice last year: once because of shock therapy and the liberalisation of prices, and once because of those sums of money and resources which, without any control, were sent abroad."

Mr Yeltsin hinted this week that he would ask Gen Rutskoi to resign.

Mr Yeltsin's humbling before a vast, 4,000-strong gathering of the Union of Industrialists and Entrepreneurs in a hall within the Kremlin came when he claimed inflation had dropped from nearly 30 per cent in January to 17 per cent in March. The last figure was drowned in a chorus of jeers and catcalls. "I don't understand...", said the president, turning to Mr Arkady Volsky, the union's president, for assistance.

Inflation, according to figures compiled by the state statistical service Goskomstat, has come down in the first quarter, though its estimate is 21 per cent for March. The underlying rate of credit expansion, the root cause of inflation, has itself come down sharply, to as little as 10 per cent in February from highs last year of over 30 per cent a month.

As Mr Yeltsin came under fire in Moscow, leaders of the Commonwealth of Independent States yesterday produced a carefully orchestrated chorus of support for the Russian president.

The meeting in the Belarussian capital of Minsk, called by Mr Yeltsin to decide the future of the CIS, became a campaign rally for the president a little more than a week before his crucial constitutional referendum on April 25.

Even President Leonid Kravchuk of Ukraine, an increasingly bitter critic of Russian policy, was induced to endorse Mr Yeltsin as the best Russian president Ukraine was likely to get. He said the referendum would determine whether or not the Commonwealth would continue to exist and added that "there are forces in Russia which want a return of the Soviet Union, but that way lies bloodshed".

President Islam Karimov of Uzbekistan said "we fully support the Russian president even if we do not support every action of his government".

There was no overt disagreement but it is doubtful that this unity will survive a more detailed examination of Mr Yeltsin's proposals in a month's time.

- Mr Yeltsin could gain the support of some 60 per cent of those voting in the referendum on April 25, according to the Gallup organisation, which has in the past week polled groups of voters in several Russian cities.

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 6000 Frankfurt am Main 1, Germany. Telephone 49 69 156 850, Fax 4969 5964481, Telex 416193. Represented by Edward Hugo, Managing Director. Printer: DVM Druck-Vertrieb und Marketing GmbH, Admiral-Rosendahl-Strasse 3a, 6078 Neu-Isenburg 4. Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL, UK. Shareholders of the Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd, London and F.T. (Germany Advertising) Ltd, London. Shareholder of the above mentioned two companies is: The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL. The Company is incorporated under the laws of England and Wales. Chairman: D.C.M. Bell.
FRANCE
Publishing Director: J. Rolley, 168 Rue de Rivoli, F-75044 Paris Cedex 01. Telephone (01) 4297-0621, Fax (01) 4297-0629. Printer: S.A. Nord Eclair, 15/21 Rue de Caire, F-59100 Roubaix Cedex 1. Editor: Richard Lambert. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.
DENMARK
Financial Times (Scandinavia) Ltd, Vimmelskaftet 42A, DK-1161 CopenhagenK. Telephone 33 13 44 41, Fax 33 93 53 35.

Palestinians to seek peace talks postponement

By Roger Matthews, Middle East Editor

PALESTINIANS said yesterday that they would seek a delay in the resumption of Middle East peace talks scheduled to open in Washington on Tuesday.

The proposal, in protest at Israel's deportation of 415 Palestinians, was put to a meeting of the four Arab delegations to the peace talks who gathered in Damascus yesterday for a two-day meeting aimed at reaching a joint response to the US-Russian invitation.

Syria, Jordan and Lebanon have all expressed their desire to return to the negotiating table, but are reluctant to resume bilateral talks with Israel in the absence of the Palestinians.

Mr Yassir Abed-Rabbo, who heads one of three PLO factions directing the Palestinian negotiators, said in Damascus: "We did not say we are leaving the peace process. We are not quitting. All we are saying is let us postpone for a short period of time – we insist a short period of time – in order to reach a compromise."

He added that Israel's recent closure of the West Bank and Gaza Strip, which had caused serious hardship by stopping 100,000 Palestinians crossing to work in Israel, had added a further obstacle.

"We have not received any clear and concrete answers," Mr Abed-Rabbo said. "There are various promises and ambiguous suggestions which do not convince us or convince Palestinian public opinion."

In the occupied West Bank, two Arabs died and seven Israeli soldiers were wounded yesterday when a bomb exploded in a roadside cafe. The attack appeared to be timed to increase tension in the run-up to the peace talks.

Security forces said that an Arab had driven a truck at the cafe and had died when it exploded, causing serious damage and setting fire to vehicles parked nearby.

The Palestinians whose expulsion from the West Bank and Gaza in December provoked the crisis in the peace process, launched their own protest yesterday by marching from their makeshift camp in south Lebanon towards Israeli military positions.

Israeli troops responded with artillery and tank fire and the march was called off several hundred metres short of the positions after a shell injured one of the marchers.

Mrs Hanan Ashrawi, the spokeswoman for the Palestinian delegation to the peace talks, said in Washington after two days of talks with US officials that it was not possible at this stage to recommend a resumption of the negotiations.

The Palestinians have been pressing Israel to accelerate the timetable for allowing the men expelled to Lebanon to return home. They also want a commitment from Israel that it will not again carry out mass expulsions.

President Bill Clinton has promised that the US will become more closely involved in the peace talks and together with Mr Yitzhak Rabin, Israel's prime minister, and President Hosni Mubarak of Egypt, has expressed hope that substantial progress can be made this year.

All sides have also agreed that no time limit will be placed on the next session, the ninth since the inaugural meeting in Madrid in October 1991.

German bank chief airs treaty worries

By Judy Dempsey in Berlin

MR Helmut Schlesinger, president of Germany's Bundesbank, said yesterday the Maastricht treaty had created tensions because some countries felt threatened about loss of national identity and the road towards full political union remained undefined.

"Just how uncertain people are in assessing the treaty is reflected in the outcomes of the referendums in Denmark and France, perhaps even in the avoidance of such referendums in other countries," he said. "The essential debate on Europe's future political shape, a federal state versus a federation of states, has not even reached major parts of the general public as yet."

Mr Schlesinger warned that uncertainty regarding further developments towards political union, had a direct impact on plans for monetary union.

In a speech to the World Affairs Council in Los Angeles, Mr Schlesinger set out Bundesbank reservations about the pace of European political union and monetary union. "I believe it to be short-sighted simply to regard European monetary union as the logical conclusion to the process of economic integration. Monetary union is rather a step with a significance of its very own. A single market can exist and be beneficial without inevitably requiring further moves towards integration in the monetary sphere."

He also warned that the creation of a completely independent European Central Bank as a plank for monetary union was not a "cure-all" for ensuring price stability. "Monetary policy cannot reverse a grave misdirection of fiscal and wage policies. Anti-inflation policy cannot be reduced to the problem of providing the proper set of technical instruments."

The Maastricht treaty has already established four criteria for entry into monetary union. But Mr Schlesinger, quoting Chancellor Helmut Kohl, repeated that there was "no side entrance for candidates who do not meet the stringent prerequisites".

The Bundesbank president questioned how consensus on the need for currency, budgetary, and fiscal stability could be achieved once monetary union has been established, particularly following the uncertainity arising from political union.

● IG Metall, Germany's powerful engineering union, indicated yesterday it would focus its pay campaign in east Germany on enterprises it believes can afford to meet the union's wage demands. Its leaders will decide on Monday on a ballot of members in eastern Germany for an all-out strike in support of higher wage increases.

Bankruptcies rise in Japan

By Charles Leadbeater in Tokyo

THE SLUMP in the Japanese economy is continuing to take a heavy toll on companies, with a sharp rise in corporate bankruptcies last month and a further fall in confidence among small businesses.

There were 14,441 corporate failures in the year to the end of last month, up 22.7 per cent from the year before, according to a report by the Teikoku Databank, the private research company. The rise in bankruptcies is increasingly concentrated among smaller companies.

In spite of the rise in the number of business failures the combined debts of the companies involved fell by 4.2 per cent to Y7,445bn (£43bn).

The rise in bankruptcies was mainly accounted for by a 42.7 per cent increase in manufacturing failures, a 29 per cent increase in failures in the service sector and a 22 per cent rise among construction companies.

In March there were 1,340 bankruptcies, up 18.2 per cent from the year before and 20 per cent up on February.

The severity of the slump among smaller companies was reflected in Ministry of International Trade and Industry figures which show small business confidence declined sharply in the first three months of the year.

A Miti survey of more than 17,000 small companies found that business confidence fell to minus 36.6 per cent from minus 32 per cent in the previous three months. The index measures the percentage of companies reporting an expected improvement in business conditions, minus the proportion of pessimistic firms.

The sales index for the three months to the end of March stood at minus 35.5 per cent, down from minus 28.9 in the final quarter of last year, while the pre-tax profits index stood at minus 39.8 per cent, compared with minus 34 per cent in the previous quarter.

With the midnight deadline for filing 1993 US federal income tax returns rapidly approaching, postal worker Karin Baines gathers returns documents from motorists on Thursday night near Capitol Hill in Washington DC

S Africa braces for violence

By Patti Waldmeir in Johannesburg

SOUTH AFRICA was bracing yesterday for a weekend of potential violence, with mass protests planned to mark the funeral of slain African National Congress leader Chris Hani. Mr Hani's body will lie in state from tomorrow and he will be buried on Monday.

The ANC said protest actions, including possible strikes, would continue until the end of May, to press for an agreed date for all-race elections and installation of the first phase of multiracial interim government, the transitional executive council.

Business leaders and the ruling National party immediately condemned the ANC announcement that mass action would not end after the funeral as planned. ANC leaders were clearly struggling to satisfy the demands of radical ANC youth, who regarded Mr Hani as a hero.

ANC officials said they were concerned that negotiations had so far yielded nothing concrete for their supporters. "So far, all the negotiations have accomplished is to get Chris Hani killed," said one ANC official, quoting a common view among radical young ANC members.

Meanwhile, gunmen shot and wounded a white businessmen in the Transkei black homeland, the fourth such attack in the homeland in recent days. In South Africa itself, the government declared emergency measures in 19 districts including Johannesburg and drafted in police reinforcements. In these areas, police will be able to make arrests without warrants, detain without trial and impose curfews.

GM right-hand drive car deal

By Michiyo Nakamoto in Tokyo

GENERAL MOTORS is to supply Toyota of Japan with right-hand drive cars for the Japanese market, the US motor group said yesterday.

The two companies agreed that GM would manufacture right-hand drive cars with the Toyota badge in the US which would be marketed in Japan through the Toyota dealer network, GM Japan said.

The agreement was reached between Mr John Smith, GM president and Mr Tatsuo Toyoda, president of Toyota, in the US on April 5, GM said.

Toyota would neither confirm nor deny the deal, which was revealed by GM as Mr Kiichi Miyazawa, Japan's prime minister, visits Washington for his first meeting with President Bill Clinton.

Car and car parts exports to Japan have become an increasingly important issue for the US. When former President George Bush visited Japan last year Japanese motor manufacturers agreed to make efforts to import and locally procure more US cars and car parts.

However, there has been increasing criticism in the US of what is seen to be a lack of progress by the Japanese companies in carrying out their proposed procurement plans.

Toyota, at the time, indicated it would make efforts to purchase $9.2bn (£6.1bn) worth of car parts worldwide by 1994. Of this, $5.28bn was expected to be purchased from the US, including local procurement by Toyota's US manufacturing facilities.

Clinton acts on stimulus impasse

By Jurek Martin in Washington

PRESIDENT Bill Clinton yesterday was preparing to announce compromise proposals designed to end the congressional impasse over his economic stimulus plan.

Vice President Al Gore said the job-creating elements of the original proposal would be retained but other spending segments might be reduced in the hope of overcoming the Republican filibuster.

The latest data yesterday provided further evidence that the economic recovery had begun to lose some steam. Industrial production last month remained unchanged from February, breaking a run of five consecutive monthly advances. In February the index had risen by 0.6 per cent and in January by 0.3 per cent.

The mid-March blizzard that shut down much of the east coast the textiles, steel, furniture, tobacco and clothing industries hard. Earlier, the government reported a 1 per cent decline in retail sales in the month, again partly attributable to the bad weather.

The Commerce Department also reported a fractional widening in the US merchandise trade deficit in February, to $7.2bn (£4.76bn) from $7.16bn in January. Both exports and imports were virtually unchanged, but the growth rate for exports turned negative, mostly a reflection of weakened demand among the main US trading partners.

The figures, announced just before Mr Clinton was to meet Mr Kiichi Miyazawa, the Japanese prime minister, in the White House, showed the US bilateral deficit with Japan growing to $4.13bn in February from $3.9bn in the previous month.

Italians set to vote for change

By Robert Graham in Rome

ITALIAN voters look set to endorse a major change in the electoral system in Sunday's referendum that proposes to reduce the importance of proportional representation and introduce the principle of majority voting in the Senate.

As the referendum campaign closed last night opinion polls indicated a majority of the 48m voters backed a reform of the voting system. But the polls also showed continued widespread uncertainty.

This has been blamed at least in part on the fact that seven other issues are being voted on the same day – ranging from de-penalising personal drug use and ending state funding of political parties to the abolition of the ministries of agriculture and tourism.

A survey by pollsters Doxa published yesterday showed 57 per cent in favour of a change in the voting system, 10 per cent against and 33 per cent undecided.

Polls, only ever approximate in gauging Italian voter intentions, have consistently given a majority for the change but the percentages have varied widely.

With polling stations also open on Monday, the result will not be known until late that night. But already yesterday there were signs that Mr Giuliano Amato, the prime minister, was preparing the ground for significant changes in government next week in the aftermath of the referendum.

EC and US fail to end row on procurement

By Lionel Barber in Brussels

EC and US negotiators have apparently failed to make a breakthrough in two rounds of talks this week in Brussels aimed at resolving the transatlantic dispute over government procurement rules.

The impasse raises the stakes ahead of next week's talks in Washington between Sir Leon Brittan, EC Commissioner for external economic relations, and Mr Mickey Kantor, US trade representative. "Everything depends on the Brittan-Kantor talks," the Commission said yesterday.

The US has threatened to impose sanctions against the EC unless the Community agrees to suspend Article 29 of its utility directive which gives a 3 per cent price preference for EC businesses bidding for contracts in the gas, water, transport and telecommunications sectors.

The EC is prepared to waive the article, but only in return for reciprocal concessions in the US market.

The sanctions would amount to just $50m (£33.10m) on existing EC contracts in the US, but the political fall-out would be much greater. EC-US relations have soured over disagreements on steel subsidies and the stalled Gatt world trade talks.

During next week's talks, both sides will discuss how to give fresh impetus to the Gatt Uruguay round, focusing on improving market access through lower tariffs.

Asian Development Bank survey credits strong performance from China

Asian economies head for growth spurt

By Victor Mallet in Bangkok

DEVELOPING Asian economies are likely to grow at more than 7 per cent a year in 1993 and 1994 and to continue outperforming other regions of the world, according to Asian Development Outlook, the annual survey published yesterday by the Asian Development Bank.

Gross domestic product in the 26 Asian countries covered by the report increased by 7 per cent last year, up from 6.1 per cent in 1991.

The Manila-based ADB attributes Asia's success to:

● Strength of the Chinese economy.

● Growing importance of intra-regional trade and investment.

● Continuation of rapid export growth through greater market penetration and diversification.

● Rise of domestic demand.

● Upgrading of technology and increased productivity flowing from foreign direct investment.

● Widespread adoption of policies promoting competition and efficiency.

ASIA AND THE WORLD ECONOMY
(Real GNP annual % change)

	1991	1992	*1993	*1994
World	0.1	0.5	1.5	3.5
Industrialised countries	0.5	1.5	1.9	2.7
US	-1.2	2.1	3.2	3.3
Japan	4.0	1.5	2.1	2.5
Germany	1.0	1.4	0.0	2.7
Developing countries	3.4	5.1	5.5	5.8
Africa	1.5.	2.0	3.0	3.2
Asia	6.1	7.0	7.2	7.4
Latin America	2.8	2.4	2.5	3.0
Middle East and Europe	0.0	6.1	7.0	7.2
Eastern Europe and Former Soviet Union	-9.7	-16.0	-10.0	5.5

*Forecasts Source: ADB

Exports from developing Asian countries rose 13 per cent last year – twice as fast as world exports – to reach $555bn (£367.5bn), while inflation fell to 6.7 per cent from 8.4 per cent in 1991.

The Asia-wide figures embrace divergent performances: the Chinese economy grew by a remarkable 12.8 per cent last year, after 7.5 per cent in 1991, while the growth rate for the four newly industrialising economies (Hong Kong, South Korea, Singapore and Taiwan) slipped to 5.3 per cent, the lowest since 1985 and down from 7.3 per cent in 1991.

South Asian economies recovered strongly last year, with the regional growth rate rising to 4.7 per cent from 2.1 per cent.

Although the ADB praised the broad thrust of economic policy in Asia – and published a section in its report analysing the continuing development of capital markets and the tax reforms being undertaken throughout the region – it also warned that future growth could be stunted by the deadlock in world trade negotiations and by a shortage of investment in infrastructure.

Mr Kimimasa Tarumizu, ADB president, criticised the congestion and pollution suffered by Asian cities in his foreword to the report.

"The pressing need for additional infrastructure investment is apparent nearly everywhere," he said.

"If not addressed quickly, bottlenecks in power, transport, communication and urban services could well become a drag on future economic growth."

Chinese economic growth is forecast to remain in double digits, but the ADB predicts that the rate of expansion will decline from last year's level because of such bottlenecks and a rising rate of inflation.

"To avoid the emergence of excess demand and an overheated economy" the report urges China to establish a strong, market-oriented system of macroeconomic management that uses indirect instruments, including interest rates and bank reserve requirements, rather than direct controls on credit expansion.

The report forecasts that Chinese exports will continue to grow at annual rates of 15 to 16 per cent, largely as a result of new production financed by foreign investment.

Chinese imports will rise even faster – at 20 or 25 per cent a year – and the current account surplus is expected to shrink this year and possibly turn into a deficit in 1994.

India's economy is expected to grow by between 5.5 and 6 per cent annually over the next two years, the ADB says, while Malaysia and Thailand are likely to be the star performers in south-east Asia with annual GDP growth of around 8 per cent.

The report acknowledges the validity of some Asian fears about the creation of the North American Free Trade Agreement between the US, Canada and Mexico, noting that manufacturing wages in Mexico are highly competitive with those of Asian exporters and that investment funds might be diverted to Mexico from Asia.

But it says that proposed lower tariffs within Nafta may have only a minimal effect in diverting trade from Asia because tariffs between Mexico and the US are already "quite low".

Spring rite keeps Swiss woman in her place at home

Ian Rodger looks at obstacles to women having a role a national life

ON MONDAY afternoon, a strange annual spring tribal rite will be played out on the streets of Zurich.

According to a 650-year-old tradition, the (male) pillars of the city's business establishment will dress up in medieval garb and, having had slap up lunches in the halls of their various guilds (zunfts), will parade down the streets of the old city on foot or on horseback. The procession ends in a city park where a symbolic figure of winter, known as Böögg and capable of being pronounced only by Swiss, is put to the torch.

The strangest part of this ritual is the audience. Lining the streets will be mainly the men's wives, mistresses, secretaries and other female friends and acquaintances, many of whom will have been dragooned into being there.

Their role is to throw flowers at their preening menfolk. The man who accumulates the most flowers by the end of the parade acquires new prestige. He is easily identifiable because he will have acquired a woman assistant along the way to help carry his load of flowers.

Whatever else may be said about this festival, called Sechseläuten, it is an example of male domination in Swiss society. This is the country, after all, where women have had the right to vote only since 1971, and that only at the federal level. The tiny half canton of Appenzell Inner Rhodes (population 13,600) was finally forced by a federal court just three years ago to give their women the vote in local matters.

Swiss women are still not permitted to work night shifts in factories and they have so far made little headway in senior business circles. Moreover, strong social and logistical pressures force them to stay home and look after their children. Primary school schedules, for example, are perversely arbitrary. A mother of two may find that one child must attend school for two hours early in the morning and two hours late in the afternoon, while the other has different hours. She is thus in effect prevented from taking a regular job.

Swiss women soldiers have only been allowed to carry firearms since 1991, and only pistols for self protection.

The army is undoubtedly one of the main clues to the strong strain of misogyny in Switzerland. The Swiss army is a militia force in which every able-bodied male must serve for an average of three weeks every two years until he is 50.

While on army service, men from Switzerland's many different social and cultural backgrounds rub shoulders and assess each other thoroughly in trying circumstances. They then take the contacts and assessments back and apply them in their civilian lives with a confidence that they could never extend to women.

Meanwhile, women's main role in the country's defence is to stay home, look after the children and do their menfolk's laundry which is sent back regularly from the front by special free post.

There are signs Swiss leaders have finally recognised that they must change their ways. A few leading companies have appointed a token woman to their board. The army held its first mixed 17-week training course for recruits in March. The air force will begin training its first women pilots in May.

But Swiss women are also growing more impatient, as was demonstrated three months ago when a woman, Ms Christiane Brunner, was put up for election to the federal cabinet. The overwhelmingly male parliament, which had only once before agreed to put a woman in the country's supreme governing council, bristled.

Ms Brunner was attacked for her militant feminism, her casual dress habits and her past – she has had three husbands. To the surprise of the parliamentarians, women throughout the country stood up and protested against this muck-raking.

In the end Ms Brunner was not elected, but the parliamentarians felt obliged to vote in another woman, Ms Ruth Dreyfuss. Ms Dreyfuss made clear that her views were identical to those of Ms Brunner, notably on the idea that some day women should be in the majority in the cabinet.

If that ever happened, their first move might be to outlaw Sechseläuten.

AT&T 'ready to dig up Britain's streets'

By Alan Cane

AMERICAN Telephone & Telegraph, the largest US telephone company, is ready to dig up Britain's streets to build its own telephone network if its application for a UK telecommunications operator's licence is granted.

It said yesterday that it was prepared to spend millions of dollars on the infrastructure necessary to reach private and business customers and that no option was being ruled out.

The possibilities include buying lines from BT and Mercury, strategic alliances with cable television operators with licences to offer telecommunications services, radio links to homes and business premises and laying underground cable.

AT&T applied on Thursday for a licence to provide communications services in the UK and between the UK and the US. Its application is direct retaliation for BT's equivalent approach to the US Federal Communications Commission last month.

Sources close to both companies said yesterday reciprocal licences were likely to be granted within a year. Both the government and BT have welcomed the AT&T move. The government is keen to open the UK market to competition, while BT sees it as a lever in its efforts to enter the US market.

AT&T plans to move into the UK market in three phases if it wins its licence. In the first it would offer international business customers the same voice and data transmission services it offers in the US. A company based in the US would be linked with UK subsidiaries by a single network. Network management and billing would be handled comprehensively by AT&T.

In the second phase it would add advanced services that are not marketed extensively in the UK. In the US, for example, AT&T handles 135m calls a day – 40 per cent of which are generated by its "free phone" service. Businesses pay for their customers to make toll-free calls to them, generating business worth $6bn a year to AT&T.

The third phase would involve extending the service to domestic customers. In the US customers pay $6 for their own free phone number on which, for example, their children can call home without charge.

Mr David Haddington, director-general of the UK Telecommunications Managers Association, welcomed the prospect of a new competitor in the UK market prepared to invest heavily in the telecommunications infrastructure. Both quality of service and prices would benefit.

He was concerned, however, that to boost cash flow AT&T would concentrate in the first instance on "cherry picking" the more lucrative business services, upsetting the delicate balance between BT and its smaller rival Mercury.

He said the emergence of global superplayers such as AT&T and BT would benefit business, leading to:

- Harmonised global numbering schemes, where customers would "own" their telephone numbers and so be free of interference and manipulation by the telephone operators.
- Harmonised tariff structures. Mr Haddington said he did not expect uniform pricing, but he did believe telephone calls between subscribers should cost the same regardless of which of them initiated the call.
- Harmonised standards for interconnection between different telecommunications systems to create a seamless global network.

BT plans to offer similar services in the US if granted a licence, through its "international virtual network" service – codenamed Cyclone – expected to start this autumn with switching in London, New York, Sydney and Frankfurt.

The key issue remains terms on which reciprocal licences will be granted. AT&T is determined that it should not have to negotiate with BT over access to the UK company's network. In the US terms for access are published and standard.

There are signs that BT finds the prospect of competing in the US market sufficiently enticing to soften its stance on the price of access to its network. About 40 per cent of the world's multinational companies have their headquarters in the US and would be potential customers for Cyclone.

Smith seeks air strikes on Serbs

MR JOHN SMITH, the Labour leader, last night responded to growing public alarm over Bosnia by backing for the first time "punitive" United Nations air strikes against Serb supply and communication lines, Ralph Atkins writes.

He said an ultimatum should be issued to Serb forces in Bosnia threatening that unless they agree to an immediate ceasefire "the UN will begin air strikes. . . consistent with the proposals being made by Lord Owen, the EC peace envoy".

His remarks broke the near-consensus between the Labour and Conservative front benches that has prevailed so far. Mr Smith also called for an immediate UN Security Council meeting to intensify economic and military sanctions.

His decision to step up Labour's demands reflects pressure within the party for a more aggressive stance. Two frontbench spokesmen yesterday urged sending ground troops to Bosnia – an escalation of UN involvement greater than Mr Smith has envisaged. Mr Keith Vaz, local government spokesman, and Mr Tony Banks, spokesman on London, said ground troops should be sent to enforce peace.

Separately 17 Labour MPs issued a letter calling for "the active engagement of troops on the ground" if required.

Tougher rules for insurance brokers urged

By Richard Lapper

THE CONSUMERS' Association yesterday called for tougher rules for insurance brokers. It said advice offered to people buying policies was of poor quality and sometimes "abysmal".

Ms Jean Eaglesham, head of money policy at the association, described the incompetence of some brokers and agents as "truly alarming".

The criticism follows a Consumers' Association survey published today which revealed flagrant breaches of industry codes of practice governing the activities of brokers and agents.

Anonymous researchers visited a random selection of 82 intermediaries in six towns and cities. They found that intermediaries frequently failed to disclose the amount of commission payments or to provide customers with copies of insurance policies.

Many intermediaries also failed to give details of their status when requested. More than half the intermediaries recommended "clearly inappropriate policies".

Mr Mike Jones, chief executive of the Association of British Insurers, said he believed the survey overstated the problem. "I don't think it's as bad as that. Most people have perfectly satisfactory policies. It's always possible to pick holes in a system."

Ms Ruth Rooley, director-general of the British Insurance and Investment Brokers Association, which represents 3,000 brokers, said the conclusions underlined the need for greater investment in training and acknowledged the need for regulatory reform.

She said the association's inability to enforce its code of practice was a weakness in the system.

The Consumers' Association is recommending that the insurance brokers' registration council or a new independent body should enforce regulations more actively. It says the association "has no effective sanctions" and "has neither the will nor the motivation" to fill the dual role of trade association and regulator.

It is also recommending the introduction of minimum standards of professional competence and better training.

Weekend Page IV

One of the only trains on the move in Britain yesterday went by road on the back of a lorry. The Sir Nigel Greeley steam locomotive passed Kidderminster Station, Hereford and Worcester, on its journey from Birmingham's railway museum to the Severn Valley Railway.

Ministers back Patten on tests

CABINET ministers yesterday launched a concerted operation to back Mr John Patten, education secretary, in stressing the importance of school tests going ahead. Mr Michael Portillo, chief Treasury secretary, said: "Everyone wants higher standards. Achieving them depends on testing."

Mr William Waldegrave, public-service minister, said the importance of the tests "to our competitiveness as a country should no longer be ignored".

Jasper Conran Shop in liquidation

THE JASPER Conran Shop, set up at the height of the 1980s consumer boom to sell the young designer's clothes, has gone into voluntary liquidation. Mr Bernard Harrington of Morison Stoneham has been appointed liquidator.

The shop, in Brompton Road, west London, was separate to Mr Conran's design activities, which continue to trade normally.

Atomic Energy Authority fined

THE UK Atomic Energy Authority has been fined £5,000 for breaching radioactive waste controls.

The prosecution by Her Majesty's Inspectorate of Pollution was over the escape of tritium gas at the authority's Harwell laboratory, Oxfordshire.

Treasury departure

MR ADRIAN Cooper, a key member of the Treasury's forecasting team, is leaving to join the economists group at James Capel, the stockbroker, it was announced yesterday.

Holiday move

THE DEPARTMENT of Trade and Industry has applied to the High Court for the winding up of French Country Holidays, of Lowestoft, Suffolk. The company has been trading since late last year.

Crescent order

THE GOVERNMENT has served a compulsory purchase order on Capitalrise, owners of the former St Ann's Hotel in The Crescent, Buxton, a Grade I listed building.

Strike 'fails to halt many pits'

By Robert Taylor, Labour Correspondent

BRITISH COAL said that half its 40 operational pits were producing coal yesterday in spite of a 24-hour strike called by the National Union of Mineworkers in protest at pit closures.

British Coal said this was twice the number of collieries that produced coal on the first one-day stoppage on April 2. But it would not specify how many miners reported for work.

The corporation suggested that pits were operating far beyond the moderate Nottinghamshire coalfield, which as a stronghold of the Union of Democratic Mineworkers did not strike. But it would not specify which areas these were.

It added that many miners were also reporting for work at other collieries where they were carrying out installation and salvaging work.

Mr Kevan Hunt, employee relations director, said: "An increasing number of NUM members have recognised the futility of staying away from work in a protest to save their jobs.

"Mineworkers at pits producing today are giving a clear message that industrial action is not the answer to the changes facing the coal industry at this time," he added.

Mr Ken Capstick, vice-chairman of the Yorkshire area of the NUM, accused the corporation of "propaganda". He said the only jobs being undertaken were concerned with safety and maintenance.

Mr Arthur Scargill, the NUM president, claimed all the collieries were shut down by the strike.

Yesterday British Coal announced the end of production at two more mines, Clipstone and Bevercote on the Nottinghamshire coalfield. From this weekend all development work will end and production will cease on April 30. For the time being the two pits will be placed on a care and maintenance basis. It added there would be no compulsory redundancies with redeployment of men to other pits.

Lang attacks Thatcher claim

By Ralph Atkins

MR IAN LANG, the Scottish secretary, yesterday attacked Baroness Thatcher's claim that there was "no such thing as society". It marked a further distancing of the government from the former prime minister's political legacy.

After a week in which Lady Thatcher has embarrassed the government over its Bosnia policy, Mr Lang said: "Whoever said there is no such thing as society was talking nonsense."

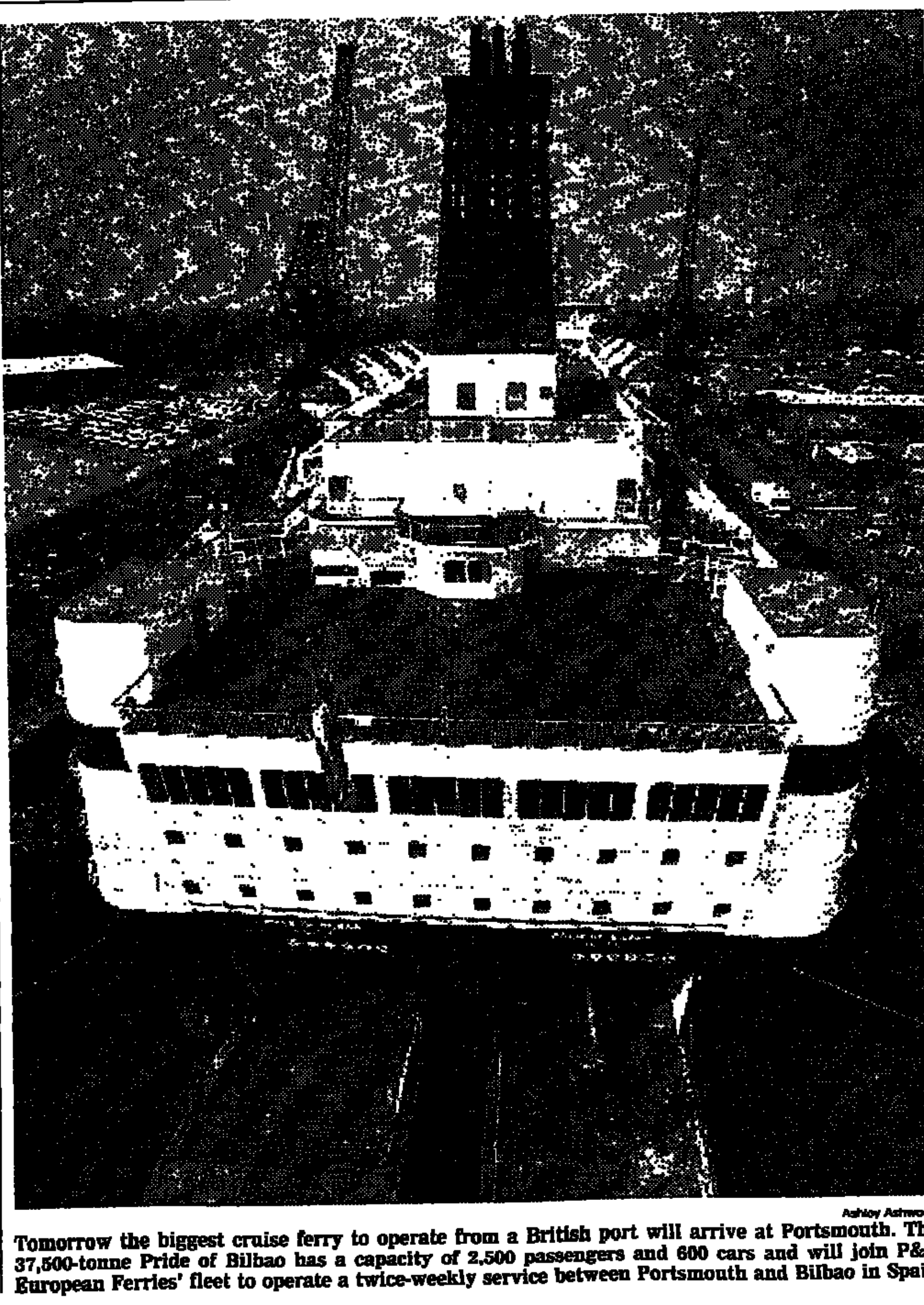
At a meeting of the Scottish Tory Reform Group in Glasgow, Mr Lang urged the Conservative party to "re-establish its ground".

Lady Thatcher "had a task to do: to destroy socialism and all its works. She largely succeeded and that destruction is apparent not just in Britain but around the world."

Mr Lang argued it was "self-evident" that society existed "in every nation or people that has found pluralistic form, whether tribal or clannish, communal or colonial, national or imperial".

He adopted a tone similar to calls by some senior Labour figures for a government that addresses the aspirations of individuals.

Mr Lang urged Conservatives to seek "the fulfilled society" in which "talents are developed, where each has the chance to find a measure of contentment in passing through life".



Ashley Ashwood

Tomorrow the biggest cruise ferry to operate from a British port will arrive at Portsmouth. The 37,500-tonne Pride of Bilbao has a capacity of 2,500 passengers and 600 cars and will join P&O European Ferries' fleet to operate a twice-weekly service between Portsmouth and Bilbao in Spain

Asian bank considers acquisition

By Scheherazade Daneshkhu

MEGHRAJ BANK, the private banking arm of Meghraj group is exploring the possibility of acquiring Equatorial Bank, which served about 3,000 Asian small-business customers in the UK before it went into administration last month.

The Asian community has been affected by the closure of four banks in the past year, following the collapse of Bank of Credit and Commerce International in 1991.

Roxburghe Bank went into administration earlier this month. Mount Banking was wound up last October while Albaraka International Bank's deposit-taking activities have been suspended.

Mr Anant Shah, chairman of Meghraj Bank said: "With liquidity at around 60 per cent and with assets of over £225m, we are in a strong financial condition. This gives us the ability to consider acquisitions and affords Meghraj Bank a unique opportunity to strengthen its presence in the Asian community in the UK."

The bank has offices in the Isle of Man, Luxembourg, Liechtenstein and an associate company in Jersey. Meghraj said it had instructed Coopers & Lybrand, the accountants, to investigate the possible acquisition.

Skills fear over Tecs' policies

By Lisa Wood, Labour Staff

THE NATIONWIDE supply of skilled electricians is being jeopardised by the local emphasis of Training and Enterprise Councils, according to the Electrical Contractors' Association, the main supplier of trained electricians.

The association, through a joint training organisation with the unions, provides a broad-based national training programme.

However, the 82 Tecs in England and Wales have different priorities for what they perceive as local skills needs and this is reflected in the amounts they offer to employers to take on young people under the Youth Training programme.

The association said that the amount offered to employers by Tecs varied from £15 to £40 a week, making it much less attractive in some areas for employers to recruit young people. This development, combined with the recession, had resulted in the intake for electrical installation apprentices halving from 4,607 in 1990-91 to 1,770 in 1992-93.

There was no umbrella organisation, either of Tecs or at government level that was looking at what the UK needed. Mr Harry Simpson, the association's director, said: "A consistent, uniform provision of training funding and qualifying procedure on a national basis is essential if this national training initiative and requirement is to be fostered and fulfilled."

The complaint is a common one among trade associations, which have a national perspective of skills needs. Attempts by the associations and industry training organisations to feed their requirements into Tecs' planning procedures have not proved successful.

The government has sought to address some other concerns of national training providers which have complained of the bureaucracy of negotiating with up to 82 Tecs. The National Training Partnership is being set up to negotiate funding with Tecs on behalf of the big national providers.

However, amounts will still vary for the same training and training organisations will still be responsible for providing separate attendance records and other details of each trainee's activities to individual Tecs. Mr Simpson said these procedures absorbed much of the efforts of trainers.

- Devonport Management, which runs the Devonport Dockyard, Plymouth, will not take on any apprentices this year. Mr Ian Williams, for the company, said this was because of job reductions and a much younger profile of the workforce.

The dockyard has taken on up to 50 recruits a year in the past and traditionally has been an important provider of craft and technology training for the region.

Sweet taste of publicity for Mars

By Gary Mead, Marketing Correspondent

"GOOD old Brits came through with a Mars bar," said the front-page headline.

Now Mars, the confectionery company, has launched an advertising campaign to capitalise on the tale of the four British climbers who were rescued on Thursday after spending six days stranded in the Russian Caucasus mountains with their local guide.

Since the first Mars bar emerged from the original factory at Slough, Berkshire, in 1932, Mars has probably spent more on advertising than the annual gross domestic products of some countries.

In the UK alone last year the confectionery company spent £5.6m on advertising the Mars bar.

For Mars the story of the climbers has been a case of some of the best publicity coming free. One public-relations executive said: "You can't even buy [advertising space] on the front pages of the tabloids. The first page you can buy in the Daily Star is page 11, and that will cost you thousands."

The confectionery company is backing up the welcome free publicity with its own advertising campaign. Today the British press is saturated with large advertisements from Mars, featuring the part the chocolate bar played in the survival of the lost climbers.

They are said to have endured the ordeal sustained only by snow and three Mars bars.

Mars said yesterday: "We're obviously absolutely delighted for the chaps themselves. The fact they had the presence of mind to take Mars bars with them is a terrific bonus."

Out of near-tragedy, Mars has gained an almost priceless marketing benefit – not just masses of free publicity, as the tabloids latched onto the story, but an endorsement for its most famous product splashed across front pages of national newspapers.

Mars did admit, however, to being a little puzzled. "It's bizarre . . . clearly there is not sufficient nutrition in a Mars bar to keep one person going for a whole day, let alone five of them for more than one day," the company said.

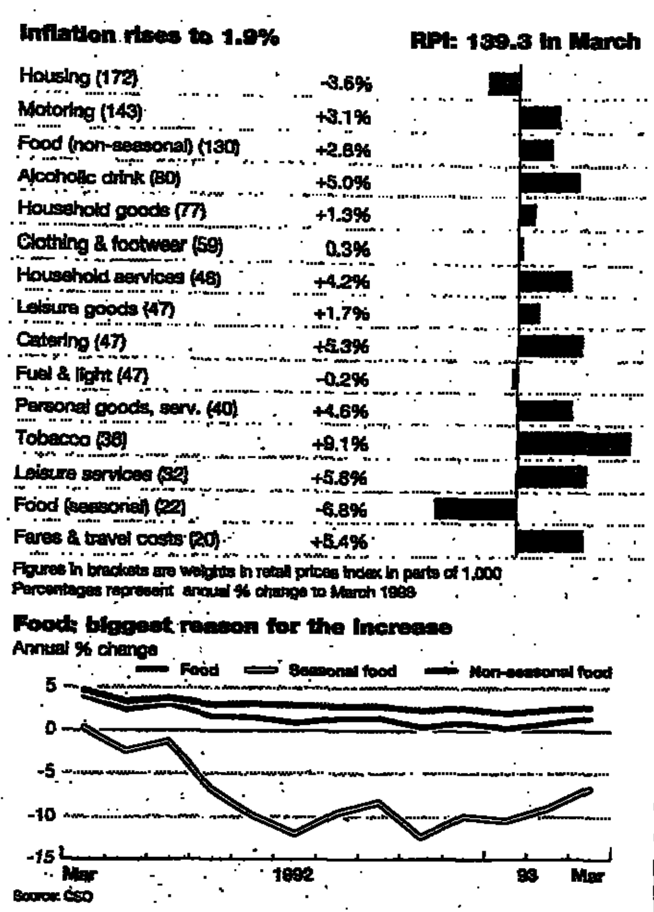
So today's campaign does its best to reinforce the company's advertising slogan: – "A Mars a day helps you work, rest and play".

Today's hurriedly created advertisements welcome back the four British climbers, adding: "Thank goodness they took their Mars bars with them."

But for Mars, the most important message to get across is the punchline: "There really is life on Mars."

Food price rises push up inflation

By Emma Tucker, Economics Staff



SHARPER PRICE increases for food were the main influence behind the rise in inflation last month, official figures showed yesterday.

The retail prices index rose by 0.4 per cent in March from 138.8 in February to 139.3. Compared with a year ago, prices were up by 1.9 per cent, marginally higher than in February, when the annual rate was 1.8 per cent.

Although mortgage interest rates fell more steeply last month than at the same time last year, increases in food prices were sharper than a year ago. This, with price rises for motoring, clothing and household goods, nudged the all-items index upwards.

The Central Statistical Office reported that excluding mortgage interest payments – an underlying measure favoured by the Treasury – the annual rate rose to 3.5 per cent in March from 3.4 per cent. The month-on-month rise in this index was 0.7 per cent.

The sharpest price increases were for seasonal food, in particular fresh vegetables and home-killed lamb. The CSO said price increases for non-seasonal foods such as beef, dairy products, sugar and soft drinks reflected the recent devaluation of the "green pound" in which agricultural products are priced.

Overall food prices rose 0.8 per cent on the previous month and 1.5 per cent in the year to March, the largest March rise since 1986.

There were also big price increases for clothing and footwear. On the month, prices rose by 1.9 per cent, reflecting price recoveries from the sharp reductions in the winter sales and price increases for the new seasons' fashions entering the shops.

A 0.2 per cent month-on-month increase in fuel and light prices reflected increases in the prices of domestic heating oil. The final phase of the recent increase in telephone charges was behind a 0.5 per cent rise in household services prices compared with February.

Motoring expenditure prices rose by 1 per cent on the month, mainly as a result of increases in petrol and second-hand car prices.

City economists had been expecting an unchanged inflation rate in March, although the modest increase is unlikely to generate new concerns about growing pressure on price increases.

Increases in excise duties announced in the Budget will start to affect the retail prices index this month. Statisticians said the effect on the annual rate would be fairly neutral, however, because of similar rises a year ago.

Rates on vacant premises at £574m

By Vanessa Houlder, Property Correspondent

BUSINESSES IN England and Wales paid £574m in rates on empty property last year, nearly 5 per cent of the total business rate bill, new statistics show.

This is a sharp rise over previous years, in line with the large increase in the number of vacant commercial properties. Most of the revenue came from London, where the £353m of rates charged on unoccupied buildings was nearly 9 per cent of the total London commercial rates bill.

The rising bill for rates on empty property, which is levied at half the cost of occupied property, has become an increasingly heavy overhead for landlords and those tenants that have been unable to find new occupiers for unneeded premises.

Some landlords have escaped paying rates on empty buildings by making their buildings uninhabitable by stripping out services. This option is not open to tenants, many of whom are facing problems subletting unwanted space.

The statistics, which were not previously compiled, were put together by the Royal Institution of Chartered Surveyors and the Institute of Revenues, Rating and Valuation.

The body is lobbying the government to cut the empty-rates liability from 50 per cent of the normal levy to 25 per cent.

It is also asking the government to extend the grace period when occupiers are excused from paying rates from three months to 12 months after they have moved out of their premises.

Sharp rise in National Savings

By Scheherazade Daneshkhu

NATIONAL SAVINGS contributed £4.36bn to government funding in the 1992-93 financial year, an increase of 39 per cent on the previous year.

The controversial fixed-rate First Option Bond, launched last July to increase National Savings' intake, raised £880m in the year even though it was only on sale for four months.

The launch of the bond provoked charges of unfair competition from building societies, which blamed the government for their own shortfall in funds last year.

But the shortfall far exceeded the amount taken by the First Option Bond. Building society net receipts were £295m in 1992, down from £5.8bn in 1991. There was a net outflow of £262m in the third quarter last year, when the bond was launched.

The best-selling National Savings category was fixed-interest certificates, accounting for a net addition of £1.35bn. Index-linked savings certificates were the next most popular category with a net addition of £1.1bn.

Premium Bonds made a net contribution of £229m – more than double the previous year's figure of £104m. Sales of £382m were the highest for any financial year since they were launched. Capital Bonds made a net contribution of £582m.

National Savings said the amount contributed to government funding for the year was "in line with expectations" against a background of "falling interest rates and strong competition".

Net receipts for March amounted to only £87m. Total gross sales were £627m but National Savings made repayments of £540m. The contribution to government funding in March, including accrued interest, was £198m, with fixed-interest savings certificates making the highest contribution.

The total amount invested in National Savings at the end of March was £44.1bn.

THE Bank of England said yesterday it will hold its next auction of gilts on April 28, when the stock on offer will have a maturity between 1996 and 1999, Peter Marsh writes.

The Bank will announce further details on April 20. It is thought the Bank will seek to auction £2bn to £3bn worth of bonds as part of the effort of funding this financial year's government deficit which is expected to be about £50bn.

Property groups urged to take up public funds

By David Owen and Vanessa Houlder

PROPERTY COMPANIES are failing to take advantage of billions of pounds worth of public-sector funding, a local government minister said yesterday, appealing for action from commercial developers to spark the market into life.

Mr John Redwood warned property specialists that they risked missing the bottom of the market if they did not act now. He said nearly £3bn of government money was available over five years for those working in tandem with public bodies under schemes such as City Challenge partnerships and urban development corporations.

In a Commons debate on local government services, Mr Redwood said the present state of the property market presented "enormous opportunities". There had "rarely" been a better conjunction of rental yields and borrowing costs.

"When do the property specialists think they will next be able to buy properties and undertake developments at current high yield levels and current low interest rates," Mr Redwood asked. "Why did so many clamour to buy land at £1m or more an acre in 1988, which they would now turn down at £¼m an acre?"

The government would benefit from a revival in the property market because it wants the private sector to play a leading role in the revival of urban areas. It also is seeking to dispose of large tracts of land and property through organisations such as the Commission for New Towns, which has some £2bn of property to sell, English Estates, the government's property development arm, and public-sector bodies such as British Rail.

The property industry is reluctant to increase investment as it is hamstrung by the oversupply of buildings, particularly offices in the south, its own weak finances and the reluctance of banks to make further loans to property.

Property companies are particularly reluctant to invest in the inner-city areas favoured by the government.

The few developers which are still active in inner cities maintain that an increasingly high proportion of public money is needed if schemes are to be viable.

Turning to local government, Mr Redwood made clear that the government had no philosophical objection to councils contracting private companies to provide any service for which they were responsible. Under the government's concept of the "enabling" council, authorities decided "how much service the community requires but does not necessarily employ the people providing it".

Mr Doug Henderson, shadow local government minister, said the government's "real" policy over 14 years had been to dismantle local democracy in order to centralise power in Whitehall.

Building materials groups act on profits

By Daniel Green

SOME construction materials companies are managing to raise prices to rebuild profit margins, but many are having difficulty making the increases stick.

Customers of cement group Blue Circle have already received notification of price rises of between 2 per cent and 3.5 per cent to take effect from June.

For the rise to stick, Blue Circle needs its big customers, such as RMC, to pass on the increase through higher concrete prices. RMC has not officially decided on such a move yet.

The pattern across the whole construction materials industry is similarly patchy.

Redland tried to raise the price of concrete roofing tiles in January. Yesterday, Mr Gerald Corbett, the company's financial director, admitted that discounting was still going on, although volumes were up.

Brick prices, which have fallen by a third over the past two years, remain depressed.

Mr Michael Rose, managing director of Butterly Bricks of Ripley, Derbyshire, said: "Stocks have peaked at record levels in the last few months."

Timber importers have tried to raise prices, spurred by the fall in the value of sterling as much as a desire to rebuild margins, but have so far failed.

"The sterling price of softwood is the same as it was 10 years ago," said Mr Bruce Wright, finance director of London-based Meyer International.

Plywood and chipboard have fared a little better, helped by Japanese demand. Prices are 1 per cent to 2 per cent higher this year.

The PVC industry, which supplies piping and guttering, has also tried to raise prices without success, said Mr David Taylor, building materials analyst at stockbroker UBS.

Plasterboard price rises in the first quarter had trouble in holding but since the end of March the increases have become more widespread.

Knauf (UK), the Kent-based subsidiary of a German company increased prices by about 10 per cent on March 29. Mr Tony Galloni, marketing manager, said: "It is too early to tell whether the new prices are holding."

Pilkington raised glass prices by 8 per cent in February and says the prices have held.

"The glass merchants are keen to see prices rises stick so they can raise their own margins," said the company.

Pilkington is also raising the price of insulation materials by between 7.5 per cent and 10 per cent from April 26. But the company acknowledged it has been "very difficult to get these rises to stick in recent months".

Water purity boils down to a question of price

Next week the results of surveys by water companies will start to emerge. They have taken the unusual step of asking their customers how much they are prepared to pay for purer water before they commit themselves to the huge investment needed to bring English and Welsh water into line with EC standards. Bronwen Maddox, Jimmy Burns and Rhodri Davies report

THE water companies' customers are so concerned about rising bills that some companies may ask industry regulators to allow them to delay expensive modernisation.

That is one of the results to emerge from the first nationwide surveys of water customers' attitudes, which water companies will start to publish next week.

Water companies have found that where customers are offered a choice in standards of service or water quality, they often prefer to have lower bills, even if that means foregoing some improvements.

The exceptions are improving the taste of drinking water, the cleanliness of beaches and replacing lead piping.

Customers' strong feelings about bills in many regions of England and Wales are likely to play a part in government deliberations over whether to privatise the Scottish water industry, already emerging as a political battleground.

Most of the 33 companies in England and Wales will soon publish the conclusions from months of interviewing customers, domestic and commercial, in the biggest exercise of its kind in the industry.

The consultations were ordered last summer by Ofwat, the industry regulator, at the same time as it published its controversial report, The Cost of Quality, which warned that ambitious environmental regulation would continue to push up bills above the rate of inflation for many years. Ofwat told companies that they had to gauge customers' reactions before committing themselves to further investment between 1992 and 2005.

In the past month Ofwat has clashed with the National Rivers Authority, the water quality watchdog, over whether all these improvements – which could cost about £45bn in the 1990s – are necessary. Friction has arisen because Ofwat, which fixes price rises, does not control the environmental regulations, which are set by the European Commission, the UK government and the NRA.

North West Water, which conducted hour-long interviews with its chosen sample, said that more than half did not realise that the company managed sewage as well as water, and so were unaware of the link between their bills and the company's spending programme of more than £5bn this decade.

The survey methods chosen by the 10 large companies to get round this problem ranged from Welsh Water's questionnaire posted to all customers, to Thames Water's "quality circles" with hand-picked panels, and long face-to-face interviews by many of the others.

Customers were keen to have their say. Welsh Water said: "We have been overwhelmed by the speed and volume of the response. Within five days of the first questionnaires going out, 67,000 of our 1.2m customers had replied."

Preliminary analysis suggests that the surveys will strengthen Ofwat's argument that the pursuit of perfection in water standards, beyond levels necessary for health, is resented by many customers.

Companies have found that:

- Much customer concern focuses on the spending needed to meet the EC urban waste water directive, one of the most expensive of all the new rules, which covers treatment of sewage and its discharge to estuaries and coasts.

Water companies have estimated that this directive alone could cost £8bn.

- Many customers would like to see the most ambitious improvements – such as waste water treatment – stretched out over a longer period to slow the rise in bills.
- Customers are prepared to pay more for some "aesthetic" improvements such as avoiding discoloured water in the Northumbrian region and, in Wessex, better-tasting water and a solution to the problem of rivers running low.
- While customers are wary of future price rises, they are generally appreciative of the investment that has already been made. They tend to accept the principle that much of the cost of improvements is passed on to them – Anglian Water reports that more than three quarters of its customers are willing to pay more for higher standards.

The companies will publish these responses and their spending plans in "market plans" which Ofwat says must be made available to customers in a "short, illustrated document in non-technical language".

The market plan will be a main part of the business projections which the companies must submit to Ofwat next spring, as a basis for Ofwat's periodic review.

The review will be the first wide-ranging assessment of pricing formulae since the 1989 water privatisation and will set price rises until 2005.

Ofwat said last week "customers were not involved in setting price rises at privatisation and this time Mr Ian Byatt [Ofwat's director-general] wants them to play a part".

Tax adviser in court over deception totalling £330,896

THE FORMER owner of an accountancy firm and former chairman of Nottingham Forest Football Club yesterday admitted obtaining a total of £330,896 by deception.

Mr Julian Baughan QC, prosecuting, said Mr Maurice Roworth, 63, from Lowdham, Nottingham, had posed as a taxation expert and offered to invest clients' money although he had no qualifications and was not registered to carry out any kind of investment business.

He had started work at the Nottingham accountancy firm of White and Co as a clerk in 1949 and worked his way up to managing director, eventually owning the firm outright and conducting a tax-advice business.

Birmingham Crown Court heard that through the firm he took up to £750,000 from friends and business associates, telling them he was investing their money in the Isle of Man.

He used the cash to pay off personal bank overdrafts while assuring friends their money was safe.

It was alleged that the deception was carried out between 1982 and 1991. He was arrested in March last year.

Mr Baughan said: "Over a nine-year period he received a total of 34 payments from clients, but none were invested in the Isle of Man or anywhere else. They all went to credit his two NatWest bank accounts and had the effect of reducing his overdrafts.

"Despite substantial payments into his bank he was still overdrawn by £450,000 at the time of his arrest and has since been declared bankrupt. There are no funds available to compensate the losers."

Mr Roworth pleaded guilty to eight specimen charges of obtaining money by deception. Flanked by two prison officers, he sat perfectly still as the prosecution outlined the case against him. He was remanded in custody to await sentence in four to six weeks, when mitigation arguments will also be heard.

Another Group 4 prisoner escapes

By Alan Pike, Social Affairs Correspondent

POLICE WERE last night searching for another prisoner who escaped yesterday from a court guarded by Group 4 Court Services, Britain's first private prison-escort service.

The man fled from Sheffield magistrates' court shortly after being sentenced to 14 days in prison. Group 4 said one of its custody officers suffered facial injuries while trying to prevent the escape.

Yesterday's incident brought the number of escapes since Group 4 took over prisoner-escort services last week in the east Midlands, Yorkshire and Humberside to five. Another two prisoners have been wrongly released.

At a meeting with Group 4 on Thursday Mr Derek Lewis, director-general of the Prison Service, held the company responsible for only one of the first four lost prisoners. Further problems with the Group 4 contract since the meeting will, however, add considerably to pressures on Mr Lewis and Home Office ministers, who are facing opposition ridicule over the escapes.

The issue is certain to be raised by MPs when Mr Lewis and Mr Peter Lloyd, the Home Office prisons minister, appear before the cross-party Commons home affairs committee on Monday.

FINANCIAL TIMES

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Saturday April 17 1993

Clinton, Japan and Russia

WHETHER Mr Clinton will succeed in rejuvenating the US economy may be doubted. What is noticeable, however, is how far he has changed the US domestic debate. *The same is true on the* global economic stage. The week's events in Tokyo – the $43bn package of assistance for Russia from the group of seven industrial *countries and the Y13,300bn* (£76bn) emergency spending programme announced by the Japanese government on Tuesday – bear witness to his impact.

It is not that either is an altogether new departure. Assistance for Russia and stimulus packages in Japan were on last year's agenda as well. As often happens, *however, developments* in policy preceded a change in administration. Where the Bush administration was tentative, Mr Clinton's is aggressive. At the top of its inter*national agenda are the twin* aims of helping Russia and dealing with Japan. But its goals for the two countries conflict. Mr Clinton wants to introduce market forces *into Russia's controlled economy* and controls into Japan's market economy.

Naturally, that is not how he would put the point. The US view *is that the Japanese trade surplus* is the result of obscure obstacles to the proper working of the market. This week Japan announced an overall trade surplus for fiscal *1992-93 of $111.34bn (£73bn), up 26* per cent on the previous year. The bilateral surplus with the US was $46.1bn, up 20 per cent. Such figures reinforce US determination, as Mr Clinton must *have told* Mr Kiichi Miyazawa, the Japanese prime minister, in Washington yesterday.

Pre-emptive

Japan's response was a *shrewd*ly-timed pre-emptive fiscal strike. The Japanese government produced its plump rabbit from the fiscal hat just as Mr Lloyd Bentsen, US Treasury Secretary, and Mr Warren Christopher, US Secretary of State, arrived in Tokyo for the meeting of the group of seven industrial countries on help to Russia and immediately before Mr Miyazawa went to Washington. The Ministry of Finance even argued that the spending and tax concessions would produce a 2.6 per cent increase in nominal gross national product.

Governments would be sorely embarrassed if laws governing truth in advertising applied to their pronouncements as well. As so often – including, indeed, the $43bn supposedly on offer for Russia - the rabbit was thinner than it looked. Many analysts believe the Japanese package will generate at most half the growth envisaged by the government. Unfortunately for Japanese international public rela*tions, amongst the doubters* appears to be the redoubtable governor of the Bank of Japan, Mr Yasushi Mieno.

Even the government claims that its measures would boost the country's imports by only some $8bn, a mere dent in the surplus. Partly for this reason, but *still* more because lobby-infested *Washington views* trade in industry-specific terms, the Japanese package is unlikely to achieve its chief strategic goal, which was to ward off US pressure for "results-oriented" agreements on trade. Mr Christopher, for example, was not so busy urging more support for *Russia that he did not find time to* persuade Japan to solve individual trade issues.

Bottomless pit

Yet if the Japanese government is to secure target shares of particular imports in the Japanese markets, it must first force its citizens to make the necessary purchases. As foreign appetites grow upon *what they feed*, such arrangements will spread, not just within Japan but to other successful exporting countries. *A market-ori*ented international trading system *would then be replaced* by a sort of mini-Comecon.

Yet Mr Clinton's emissaries also put great pressure on Japan to assist Mr Yeltsin in his attempts *to rebuild the ruins left by the* collapse of the real Comecon. As usual, Tokyo did not dare to say "no". Japan did not raise the vexed issue of Russian occupation of the *Kurile islands*. Instead, it agreed to increase its planned bilateral assistance from $1.2bn to $1.8bn. This it did despite its well known conviction that Russia is the closest thing on earth to a bottomless pit.

*If this perfectly plausible convic*tion is to be proved wrong, Russia must have a coherent and effective government implementing a coherent and effective reform strategy. At present doubters have good cause for their doubts. Mr Yeltsin is going into a referendum on April 25 that poses great risks for him. No likely result will give him the decisive victory he needs if he is to rule where now he reigns.

It is only the extraordinary importance of the effort that justifies its being made at all. But the same applies to Japan's wish to *avoid results-oriented trade. In* Tokyo the Europeans – particularly the Germans – insisted upon the importance of helping Mr Yeltsin, but stressed that they themselves had done enough. Germany's position is certainly defensible. But Europeans do have a fresh role to play in the US-Japan bilateral trade conflicts. They should support Japan if it decides at last simply to say "no".

Revival reawakens old demons

Barry Riley examines the extent to which the end of the UK recession may mark the beginning of higher inflation

A rise in the annual headline inflation rate from 1.8 to 1.9 per cent last month might not seem very significant, but it was *enough to set off a minor* attack of the jitters in the financial markets yesterday.

The background is an apparent revival of the British economy. *Once again the forecasters* appear to have got it wrong, this time by being too cautious, and manufacturing output in February was 1.5 per cent higher than a year earlier. Meanwhile a frisson of expectation spread through the housing market over Easter, and the press positively glowed at the indications of a recovery in house prices.

But will the downside to the economic recovery be a revival in inflation? This week's wholesale price indices for March appeared to show that industry is still absorbing much of the inflationary year-on-year 8.3 per cent rise in input costs of materials and fuel which has *resulted* from *last year's devalua*tion. Output price inflation has remained stable at about 3.7 per cent for several months.

But if demand picks up substan*tially industry could decide to take* advantage of the opportunity to rebuild its battered profit margins.

Mortgage interest rate cuts in the past few months have allowed the *headline rate of retail price infla*tion to fall below 2 per cent, the lowest level for 26 years, but the underlying rate excluding mortgage interest has stayed obstinately at around 3½ per cent.

This is the version of the inflation rate that the government is targeting within a 1 to 4 per cent range. Both the Treasury (which has forecast a *3¾ per cent rate for the final* quarter of 1993) and the Bank of England appear to believe it is touch-and-go whether the 4 per cent ceiling will be exceeded *later* this year which may explain why the government has been so pleased to see sterling *strengthening* in recent weeks.

Indeed the sterling index has bounced up by more than 5 per cent since its February low point, and *although exporters may not* be pleased at losing competitiveness, nevertheless there will be benefits for inflation, for instance from this week's cuts in petrol prices.

But these are very short-term effects. Does anybody really believe that over the longer run Britain's bad inflationary habits have been cured? Certainly the long end of the government securities market weakened on this week's evidence *of economic recovery*. Long gilt yields of about 8.3 per cent strike an awkward compromise between the 4 and 6 per cent returns in Japan and Germany, regarded as low inflation *countries, and the double-figure* yields of, for example, Italy and Spain.

There are two schools of thought. One argues that almost regardless of what the British government does the country has entered a period of strong deflationary tendencies. It could be quite misleading, and indeed dangerous, to look back to the 1970s and 1980s and follow over-restrictive policies.

But many other people are scarred by their inflationary experiences of the past 25 years, during which average annual inflation has been 9 per cent.

Professional investors in the City of London are deeply cynical about the ability and integrity of the government. They fear that the huge scale of prospective public borrowing will eventually force the government down an inflationary path.

*To begin with, however, the opti*mists. The first point is that the decline in inflation is common to most developed countries, even to those like Italy which have the worst financial problems.

Average inflation in the Group of Seven leading industrialised nations has dropped from 4.7 per cent in 1990 to maybe 2.5 per cent this year.

Besides the short-term cyclical *effects from the current recession*, there has been a long-term downtrend in commodity prices. Moreover the emergence of big new industrial powers, notably China, has depressed the price level of traded goods, which in turn has caused industrial recession and a shakeout in the labour markets, especially in Europe. Pay pressures have collapsed: yesterday's UK rail strike was about job security rather *than incomes*, while pay *inflation is* now below 5 per cent and hitting new lows.

Moreover many of the English-speaking countries (together with Scandinavia and Japan) are in the grip of so-called debt deflation, as they seek to throw off the after-effects of bank lending binges and property market bubbles.

The UK is a prime member of this group. Through the 1980s the broad *measure of the money supply, M4*, grew at an average annual rate of 16 per cent, fuelling eventual inflation.

But now M4 growth has collapsed to little more than 3 per cent, which according to monetarist economists makes a revival of inflation quite impossible in the near future.

Finally, the social balance in Britain has changed substantially *over the past 25 inflationary years*. The trade unions, primarily representing aggressive younger workers, have dwindled in importance; pensioners and other older age groups who fear inflation have grown in relative numbers.

The inflation of the 1970s, it can be argued, was triggered by a combination of trade union power and commodity price shocks.

By the 1980s inflation had been *brought right down (to 2.4 per cent* in the summer of 1986) but a new burst was set off by irresponsible financial deregulation leading to excessive monetary growth.

Now, however, monetary growth is, if anything, too low. There is no need to worry about inflation any more.

Investors, on this argument, may be making a dangerous mistake - the reverse of the error made in the *postwar period when fixed interest* securities were bought without proper regard to the danger of future inflation. This time investors are staying in equities or in short-term deposits instead of buying long-dated gilts on yields of 8 per cent-plus. When those yields tumble to 5 or 6 per cent as fears of inflation dwindle, big profits will be made. Investors clinging to the *equity market or building society* accounts could be left more or less stranded.

But experienced British investors who have spent a lifetime combating the *menace of inflation cannot* change their mind set quite so easily. Above all they are concerned about the vagueness of government policy. If a fiercely independent central bank like the Bundesbank were in charge it would be very different. *But the British government bungled* its participation in the European exchange rate mechanism and is now wallowing in apparent confusion.

For instance, until recently it was targeting the narrow version of the money supply M0, which was supposed to rise no faster than 4 per cent year-on-year. Recently, however, M0 growth has accelerated – to 4.9 per cent for March. The government's response has been purest Sir Humphrey: it *has changed the* target band to a "monitoring range" which *it says* requires no action.

Similarly, but in reverse, when M4 growth sank below the 4 per cent lower limit of its previous monitoring range the Treasury simply widened the range to 3 to 9 per cent. If the government's approach to *monetary* control is as wishy-washy as this, how seriously can we take the target for underlying inflation? This is for a range *of 1 to 4* per cent in the near term, falling to the bot*tom half of* the range – that is, 1 to 2½ per cent – by the time of the next election in, say, 1996.

This kind of target in itself may be ill-advised. It has, for instance, ruled *out* early *rises* in indirect taxes.

It also fails to differentiate between imported inflation, which may be a *good* thing if it encourages a revival of production of traded goods in the UK, and domestic inflation deriving from the public sector or the services sector, which should unquestionably be avoided.

Inflation sceptics point to the desperate need of the government to get the British economy moving ahead, which may cause *it* to bend its monetary policies further. But the biggest problem arises from government borrowing, forecast to reach £50bn in the current financial year, or 8 per cent of gross domestic product, a level of excess spending not seen since the inflationary 1970s. Borrowing on a similar scale could easily persist for several years.

On March 31 the Bank of England auctioned £3bn of a 20-year gilt at a *yield of 8.53 per cent*. Such issues are now coming monthly, and if inflation is really to tumble to 2 per cent or so they will prove cripplingly expensive for the taxpayer to service.

You can look at this problem two ways. On the one hand, faced with wary and suspicious capital markets the government will find it difficult to pursue inflationary policies, or interest rates will move up *further. On the other* hand, the high interest rates will eventually make the debt burden intolerable. At some point – which might be several years off – the government would end its long-term funding programme and would resort to financing itself through the banking system.

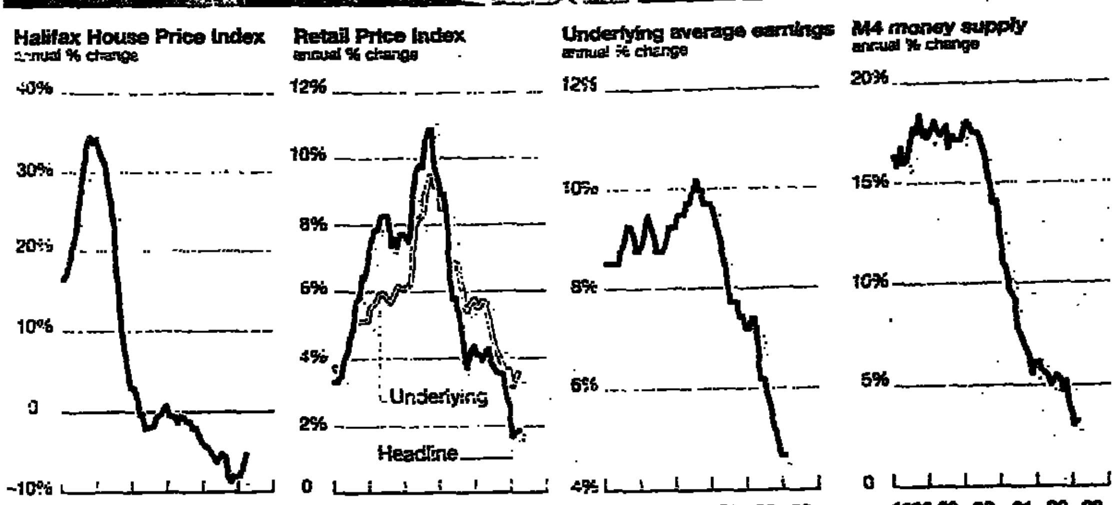
This would set off a new spiral of rapid inflation, and the holders of the vast volumes of government *debt now being issued would be the* victims, effectively, of progressive *de facto* default. So you can imagine two profiles for the UK inflation rate. In one case there will be short-term pressures as price rises suppressed during the ERM period *emerge through the pipeline*, but deflationary forces will dominate as we move into the mid-1990s.

On the alternative model, however, inflation will become re-estab*lished as the economic recovery* proceeds, and the difficulties of funding the public sector deficit will become acute.

In practice, the key to the riddle may lie in how the government reacts to economic shocks. But for *the rosy scenario to unfold, surely* at the very least public borrowing must be reduced well below current medium-term projections, and the authorities must develop a coherent and consistent framework for monetary policy.

The government must resist delights such as a renewed house price boom, and must initiate large-scale cuts in public spending. If you believe it will, you may believe in its inflation targets.

UK economy: inflation down but not out



Source: Datastream

MAN IN THE NEWS: **Rocco Forte**

A narrowing of horizons

Mr Rocco Forte is in *Warsaw today where* Lady Thatcher is due to reopen the 92-year old Bristol Hotel. The Bristol, a joint venture between Forte and the *Polish tourist agency, is a striking* demonstration of the UK hotel and restaurant group's drive to expand outside its home market.

Or so Mr Forte might have said a *few months ago – expanding in con*tinental Europe has been Forte's priority for years. However, when this Thursday he presented his first full-year results since taking over from his *father as chairman*, the message was markedly different.

Forte is to sell £500m of assets over the next few years. It is scaling back its US operation. The Conti*nent will have to wait. Forte's* pretax profit of £72m before exceptional and property items was only slightly up on last year's £70m, itself well down on the year before. *The value of the property portfolio* has fallen by £344m. Gearing has risen to 48 per cent. There are few signs of recovery. The dividend was cut for the first time in 20 years.

These are burdens piled on top of the one Mr Forte has faced ever since, as a 16-year old, he spent his holidays working in the cellars of the company's Café Royal: that no-one is prepared to judge the son of Lord Forte, Britain's greatest hotelier, in the way they would any other businessman.

"Poor old Rocco is trapped," a City analyst once said. "If things go well, it's because of the company his father built up. If they go badly, *it's because Rocco cocked it up*." It is an observation with which Forte insiders grimly concur.

Investors criticised the group's announcement last October that Mr Forte *was adding the title of chair*man to the position of chief execu*tive he had held since 1983. Unease* was heightened by the news that the 84-year old Lord Forte was remaining on the board as president – suggesting that little would change.

The appointment of three new non-executive directors – Sir Anthony Tennant, former chairman of Guinness, Sir Paul Girolami, *chairman of Glaxo, and Mr Alan* Wheatley, departing chairman of 3i – has only partly mollified critics.

The question of bringing in outside senior directors provokes an uncharacteristically fiery response from the mild-mannered Mr Forte. He says: "There are a lot of people who would want to be on the Forte board. But I went out and chose some high-powered and independent individuals."

The critics accept that the three new non-executives are not pushovers. They concede, too, that their appointment *has* changed the Forte board's balance of power. "These are Rocco's choices rather than his father's colleagues," says one. Several close observers note that Mr *Forte seems more confident* since becoming chairman. Other board changes are likely to follow.

Mr Forte says that Sir Anthony, who is now Forte's deputy chairman, plays an active role in *the* group. But when asked how often he sees Sir Anthony, it turns out to be once a week at most.

City critics still want Forte to appoint a strong managing director. Mr Forte says the group will appoint one eventually, but that it *will not be a complete outsider. He* also makes it evident it will not be the sort of person who might shrug him aside.

"It would have to be someone *who has worked in the business for* at least a year," he says. "Someone from outside might have very different views. We don't want to have rows. You've got to have harmony. The idea that you can have two equally powerful men is complete nonsense. You either have a strong chairman or a strong chief executive."

The Forte group knows *all about* rows. The struggle between Lord Forte and Lord Crowther, chairman of Trust Houses, rocked the City when the two groups merged in the *1970s. The 1980s row was with the* Savoy group. Mr Forte says he does not intend to repeat that one either.

An acrimonious takeover battle left Forte with a majority of Savoy shares but a minority of votes, after which the two sides declared a five-year truce which ends in November next year. Mr Forte *has not hidden* his desire to gain control of the Savoy, but he says he wants the two sides to reach a civilised agreement when the five years are up. "I *think the way towards a solution is* on a discussed basis – not having a slanging match and punching each other in public."

Controlling the Savoy group would give Forte an internationally-*renowned name under which it* could group its luxury hotels. Despite owning the Ritz in Madrid, the Plaza Athénée in New York and the George V in Paris, Forte has *never* entirely shaken its image as, in the sneering words of the then embattled Savoy management, "a vast combine which, among other things, runs service stations on the main arterial roads."

In the meantime, Mr Forte has enough to contend with. Last year, the group bought the Relais motorway restaurant business in France and announced a joint venture with Agip, the Italian state petrol company, to manage 18 hotels in Italy. It sold its Gardner Merchant catering company, but the exceptional profit of £257m was outweighed by the collapse in property values.

In the US, 15 Travelodge hotels are for sale. Mr Forte says the remaining US motels are likely to be floated separately. He still wants to sell Forte's in-flight catering business. Even the core hotels business might be reduced. Mr Forte says 70 per cent of hotel profits comes from just 40 establishments.

The group this week offered shareholders an enhanced scrip dividend as an alternative to the reduced cash payout. Mr Forte says *the group will only consider* a rights issue if it has a large purchase in mind. With the City still stunned by the financial crisis at the rival Queens Moat Houses, the *hotel sector is not currently an* investors' favourite.

By the time the hotel business follows the rest of the UK economy into recovery, memories of Queens Moat may have faded a little. If he can reduce the group's debt, Mr Forte might then be able to fashion a new, more internationally-based business. Until then, he will have to make the most of what he has inherited.

Michael Skapinker

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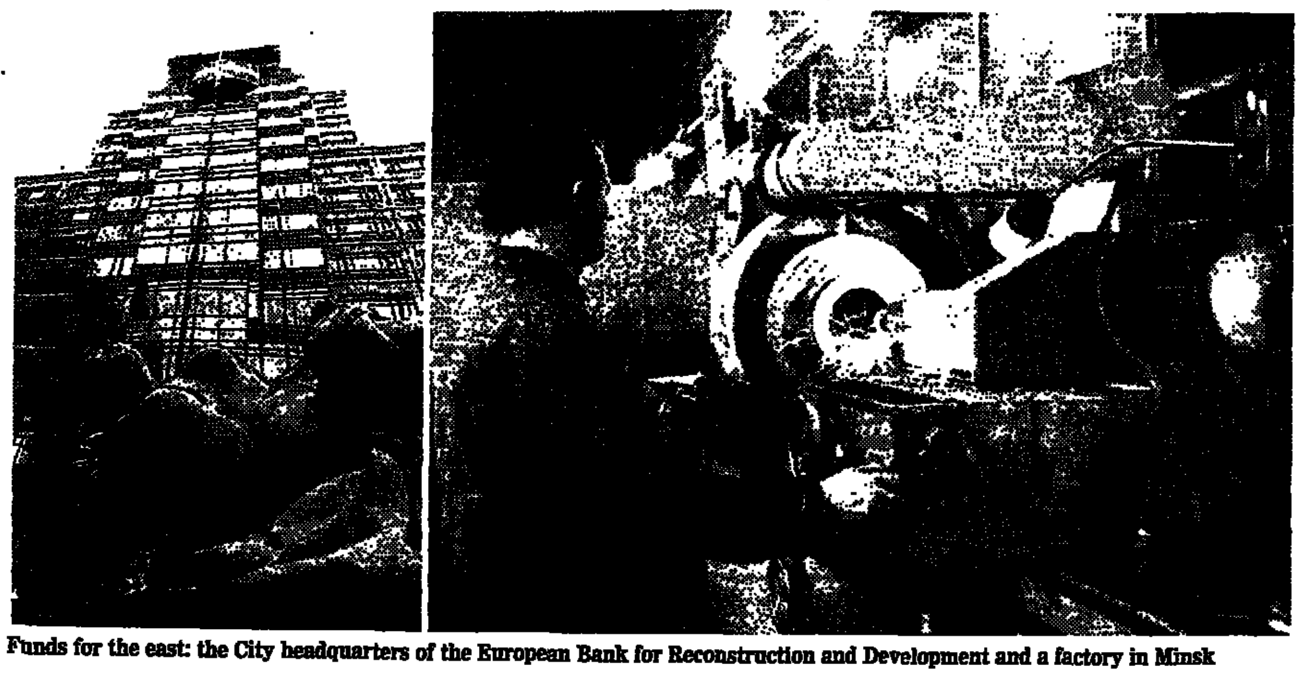
Bank at the heart of the new Europe

Ron Freeman, first vice president of the EBRD, responds to criticism of the institution's performance



Funds for the east: the City headquarters of the European Bank for Reconstruction and Development and a factory in Minsk

The European Bank for Reconstruction and Development was established in May 1990 by 39 member countries (this is now 54), including the UK, and two international institutions, primarily to finance privatisation in eastern and central Europe and the former Soviet Union.

To date the board has approved investment of more than £1.6bn (Ecu2bn) of the EBRD's own funds and we have raised an additional £6.3bn from third party lenders and investors for 88 projects. No other institution, public or private, has mobilised anything like these sums for eastern Europe. Headquartered in London, the bank also provides a unique opportunity for British industry to obtain "local" financing for British investments and business development among the 300m consumers in the eastern European markets.

Last month Prince Charles inaugurated our new headquarters in the Broadgate development in the City of London. We were gratified to be able to become the anchor tenant in this building at very attractive terms. Our presence in the Broadgate complex reinforces the City's standing as the heart of the European financial community.

An article in the FT on 29 March confirmed that we had been able to fit out the interior of this building without detracting from the quality of the Broadgate complex. The article concluded that: "The bank is indeed welcome in London as a crucial and inventive catalyst for the new Europe. If the creative atmosphere of culture and commerce, which is so evident in the new headquarters, is indicative of its approach to the rejuvenation of formerly communist Europe then the future in the east will be bright."

Therefore, it was with decidedly mixed emotions that we read in the FT on 13 April, rapidly followed by other national papers, that we spent too much money on ourselves, not enough on central and eastern Europe and the former Soviet Union and were too slow in disbursing funds.

On the one hand, we recognise such press attacks as a feature of life today, as the BBC, the Bank of England, the government, and even the Crown can confirm. As such my immediate reaction was to view this assault as a wry form of acknowledgement that the EBRD had joined the UK establishment. However, as a public

We carry out all operations according to sound banking principles

institution it is our responsibility to set the record straight on a number of the criticisms we have had levelled at us over past few days.

First, let me deal with the costs of establishing our headquarters at Broadgate. Before we committed to Broadgate, our advisors conducted athorough review of all accommodation options in London. Our intention throughout was to secure best value for money. We achieved this at Broadgate, agreeing terms for our building which were highly competitive. The building was finished to a "shell and core" basis and needed then to be fitted out for occupation.

The overall fitting out cost was £55.5m which we financed through a variety of sources: a contribution from the landlord of £9.5m; a 29-month rent-free period for the new headquarters granted by the landlord, saving the Bank £38.4m; a £250,000 contribution from the City of London and £7.95m which would have been spent on rent at our temporary accommodation at Leadenhall Street had the new building not been completed in record time. Tight cost and budgetary control was exercised throughout by us and the teams acting for us. In the event, the building was finished well ahead of time and to budget, at a cost per square foot which is fully comparable with other headquarters buildings in the City and indeed with other international institutions.

Inevitably, there will be comment about some features of the building and whether some things could have been done differently or at lower cost. In overall terms, however, the approach which we adopted and the result which we achieved in establishing our new headquarters will stand up to objective scrutiny. We have ended up with a good building which suits our particular requirements as cost effectively as any other we have found in London.

The second criticism was the level of funds we had disbursed to the countries of central and eastern Europe and the former Soviet Union. Compared with commitments made, the disbursement figure of £144m may seem rather limited.

The reality is that disbursement of funds lags behind board approval deliberately and by our own bank rules. First, since the majority of our financing is for the private sector, state owners of entities we finance must be "implementing" a programme of privatisation. For state sector financing, we must normally obtain sovereign guarantees. Either of these alternatives requires government action prior to our disbursement.

Second, we co-finance nearly all our operations. This is consistent with our goal of multiplying the impact of our financing. As indicated above, our multiplier ratio is currently four to one, as the £1.6bn of EBRD project approvals is accompanied by £6.3bn of third party co-financing. To ensure this multiplier, we normally require that our co-financiers'

Press attacks are a feature of life, as the BBC and even the Crown can confirm

money goes into the project before ours.

Third, we must comply with international tender procedures in all our projects. And finally we only disburse our funds directly against invoices.

These factors are all evidence of our caution. We are dealing with taxpayers' money. We carry out all our operations according to sound banking principles.

As a result, disbursement takes time. I would rather be accused of caution in our disbursement process than of taking unnecessary risks with taxpayers' money. Notwithstanding, we have disbursed as fast as any other funds provider.

Let us now look to the future. We have already committed substantial funds to projects in eastern Europe which will be disbursed as soon as the process allows. We have this week been asked by the G7 group of leading industrialised countries to establish a $300m fund with the specific aim of promoting small and medium-sized enterprises in the Russian Federation.

We are also charged by the G7 with implementing a Nuclear Safety Fund, with a secretariat in the bank, which will allow the dangerous nuclear power plants in eastern Europe to be overhauled. Finally, we have launched 260 technical assistance projects with a total value of £52.7m, much of which is provided by British accounting, legal and consulting firms. Thus, we have not been either slow to disburse or slow in any other respect as our beneficiary countries have repeatedly confirmed. And, we are continually looking at new proposals.

Next week, we hold our annual meeting in London. On this occasion we will welcome more than 2,500 foreign guests out of 3,000 participants representing both governments and business communities, to London. All will, I am sure, share with us our pride in the fast start we have made in carrying out our mission, the splendid staff we have assembled and the role we assume as the sole international institution headquartered in the UK.

I anticipate that as a result of this meeting many new proposals will come to the bank. The bank provides a forum where investors from both eastern and western Europe can meet to finance investment opportunities in eastern Europe.

I am confident that the UK business community will not be distracted by the misdirected focus of current press coverage, but will instead participate fully with us in the extraordinary opportunity presented by the greatest event of our times; the opening of the European continent.

Louise Kehoe on a race to apply the personal touch to the world of information technology

Computers that put the 'face' into interface

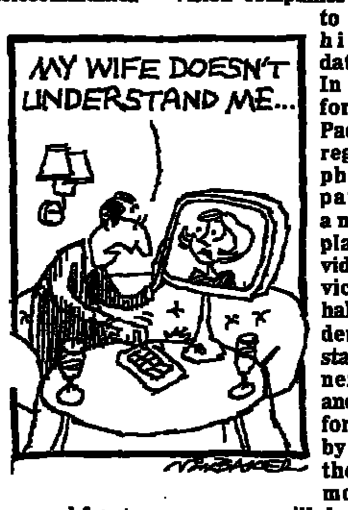
There may be someone new in your future.

You will be able to choose the appearance, name and personality of this new companion and nobody, not even your spouse, should raise any objections, even if you take it home with you.

This "person", who you may be spending many hours with, will be a computer "agent", an electronically created personality that acts as your personal assistant; arranging meetings, finding information, making travel arrangements and reminding you that it is time to pay the phone bill, get the car serviced or send a birthday card to your mother.

And when you are tired after a long day at work, you can look forward to coming home to find that he or she has recorded television programmes selected to match your tastes and ordered your favourite dinner to be delivered.

It may sound too good to be true. But not if the visions of some of the world's largest computer and telecommunications companies are realised. By 2000, the "personal" in personal computing could take on a very different meaning.



Making computers companionable will require some big advances in semiconductor, communications and computer software, but already the electronics industry is moving forward rapidly on several fronts.

International Business Machines, for example, has several projects under way to develop what it calls "human interfaces" for computers; speech recognition technology that will enable a computer to comprehend spoken commands and visualisation techniques that could be used to give the computer a human-like "face".

IBM recently demonstrated this technology by creating a computer-version of its vice-chairman, Mr Jack Kuebler, who engaged in a mock conversation with his computer-simulated image.

Apple Computer is also in the forefront of making computers more "user friendly". This year it will launch its first "Newton" product, which it calls a "personal digital assistant", a pocket-sized device that can be used to send hand-written messages electronically and keep track of your personal diary and notes.

Competing with Apple is a group of companies including AT&T, Matsushita of Japan, and Olivetti of Japan, which is backing EO, a Silicon Valley venture that has launched a "personal communicator" a device that combines a computer and a cellular telephone. Wireless communications systems that extend cellular technology to allow electronic handsets to send or retrieve messages "anytime, anywhere" are a critical element of this new world. So too is digital technology which converts electronic signals into binary codes.

Digital systems store a much larger amount of data than existing analogue systems and process the data much more quickly.

Motorola, one of the leaders in communications technology, has formed an international alliance with telecommunications companies from the US, Europe and Asia to help fund Iridium, an ambitious $3.8bn satellite system that would provide global wireless communications. In the US, Ardis and Ram Mobile Data are building competing national wireless data networks. Such wireless networks could free office workers from their telephones and facsimile machines and enable them to take their work with them wherever they care to go.

Yet if you see yourself conducting business while basking on the beach of some remote island, keep in mind that in the future you may not want to stray too far from an "information superhighway"; a fibre optic cable that can transmit video signals as well as voice and text messages.

US telephone and cable television companies are rushing to build these high-speed data channels. In California, for example, Pacific Bell, a regional telephone company, has announced plans to provide such a service to nearly half of the residents of the state within the next decade and to all Californian homes by 2015. Over the next 18 months, the company will begin trials of services such as "movies on demand", video games, home shopping and tele-education.

The prospect of enhanced communications services has set off a race to provide devices that will connect to these new networks. Intel, the leader in microprocessor chips – the "brains" inside a computer – is working with Microsoft, the leading personal computer software company, and General Instruments, a supplier of cable television control boxes, to develop a decoder device that will take the signals from the information superhighway and display them on a television set.

General Magic, another Silicon Valley company which is developing software for personal communicators, calls the approach "whole person" computing. Computers should be fun to use, not devices that try the patience and test the technical acumen of users, the company maintains.

Not everyone will be excited at the prospect of having vast quantities of information available at their fingertips whether it be the 500 TV channels promised by cable companies or instant access to libraries full of publications over the phone. People are already inundated with information from newspapers, television, junk mail, facsimile and telephone messages.

But this is where the friendly computer "agent" comes in. Your electronic assistant will filter all your messages throw away the "junk" and sort the rest according to your priorities.

A small town awaits the outcome of a family row over the Clark shoe business, says **Peggy Hollinger**

A squall over Street

Something is amiss in the town of Street, Somerset. The Clark family is falling out.

The Clark's shoe business – based in Street since it was founded 168 years ago – has been built on market expertise and family harmony, in the Quaker tradition. Now, the future of the UK's biggest shoemaker is obscured by an emotionally charged dispute between family members. The town's inhabitants are watching anxiously, concerned about employment and the local economy.

The arguments in the family have been prompted by the question of whether to sell the business. They have been brought to a head by an approach from Berisford International, the UK property and agribusiness group. A formal offer for C&J Clark is expected within the next few days. From then until the company's extraordinary general meeting on May 7, when the shoemaker's fate will be decided, board relations are likely to become increasingly tense.

Disagreements are not new. Since the early 1980s, when the growth of cheap imports from Asia started to affect profits and margins, shareholders have been divided over the best way forward for the private company. The problems in the market have been compounded by recession. Pre-tax profits have fallen from £30m in 1990 to just £1.7m last year. Not surprisingly the 500 members of the Clark family which own about 80 per cent of the company are worried. Most have all their personal wealth tied up in the shares, which have fallen from almost £2 in 1990 to 90p.

But if all are agreed that the business faces problems, the Clarks differ over the best solution. There are three basic factions: sellers, sellers at a price, and non-sellers.

Many of the sellers are in need of money. Some shareholders have suffered losses in the Lloyds insurance market, while others have found their incomes sharply reduced by last year's cut in the company's dividend from 7.5p to 3.8p.

Those advocating a sale also include directors such as Daniel Clark, great-great grandson of the founder and a former chairman, with a 7 per cent stake. Daniel has stated publicly that only a sale could end years of shareholder interference in the running of the business.

Daniel, one of two family members on the 11-member board who favours a change of ownership, has personal reasons to complain. While chairman, between 1967 and 1986, he and his team were strongly criticised by a triumvirate of retired directors, including his own father and a predecessor, Bancroft Clark. The three executives had ruled over Clark's in the glory days of expansion after the second world war and controlled the bulk of the family shareholding. They felt that Daniel was resisting their advice, in particular their calls for increased overseas sourcing, and forced him to make way for the company's first non-family chairman, Larry Tindale.

Others, such as Anthony Clothier, the grandson of a Clark daughter, say they have no alternative to a sale. With the shares traded only twice a year many investors find it difficult to take advantage of their inherited wealth. A previous attempt to float 25 per cent of the company in 1989 failed when shareholder support fell just short of the required 75 per cent.

Mr Clothier, a former director who parted company with Clark's in 1986, also contends that the difficulties of running a company with such a vociferous family shareholding are too great at a time of deep recession. "Things cannot go on as they are," he says. "We need a proper board to get on with the running of the business."

Nevertheless, Mr Clothier is prepared to consider alternatives. These

The future of the UK's biggest shoemaker is obscured by an emotionally charged family dispute

include the creation of a voting trust to represent the family stake, thus reducing the impact of board divisions. This would be followed by eventual flotation. The problem is, he says, there are no concrete proposals on the table. Thus, "it would be stupid not to consider the Berisford bid."

The second faction is prepared to sell, but not at the 205p a share which Berisford is expected to offer. It includes non-family shareholders who, having seen last week's balance sheet, believe the decision to sell has come at the wrong time. In its annual statement, Clark's showed a net asset value of 278p, against 282p last year.

Mr Henry Cook, who retired from Clark's retail division in 1987 after 39 years at the company, has changed his mind about the bid in recent days. "Now I'm wondering whether we would not be giving the business away too cheaply," he says.

This last argument has been used by those resolutely opposed to a sale, including four family board members. Mr Charles Robertson, a founder member of the lobby group, Shareholders Opposed to an Enforced Sale (Shoes), is adamant that to sell now, when Clark's has just finished a £12.5m restructuring programme, would not be in anyone's interest. He believes that many of the difficult tasks facing the company have been achieved, including the closure of the original factory in Street last year and a sharp reduction in the workforce.

The feelings of this last group run deep, rooted in 168 years of tradition based in the town where Cyrus and James Clark set up their sheepskin slipper factory in the farmyard of their elder brother Joseph.

The town of 11,000 has been largely built by the Clark family which, in the Quaker tradition, promoted the welfare of its workers through the provision of libraries, schools, swimming pools and social clubs. Many members of the family still live there.

The original farmhouse where the first Clark set up house in 1720 still stands. It is inhabited by Richard Clark, one of the rebel board directors who jealously guards the family's position in the company. Richard, along with many of the non-sellers, are determined to retain family control of Clark's for a variety of reasons. The less sentimental argue that any sensible investor, with their wealth tied up in one company, would want control of that investment.

For this group, who claim it is not a family row, the troubles started when outsiders began to wield influence. About 20 years ago, they say, the board was made up mainly of family members. "There were not meetings of the family to alter anything, partly because there were a lot of family members in the company's management," says Robertson.

However, Shoes has accepted that the formula of 20 years ago may not apply in the 1990s. Hugh Pym, a Clark and founding member of the lobby group, says Shoes backs "work already being done . . . to set up a board which is realistic for the needs of the company". This would include a shareholder council to channel views to directors.

Opponents of a sale also believe that Clark's troubles of recent years are almost over. "The company is actually recovering and it will happen quite quickly," says Nathan Clark, the 76-year-old great grandson of the company's founder and inventor of the desert boot. "As soon as we are making better profits again, people will not want to sell."

In Street the locals watch the dispute with a degree of resignation. "We just wish they would knock their heads together so we can get back to work," says one local resident.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Remarks are out of bounds

From Mr Eric Osterwell.

With reference to Dominic Lawson's article, "What the President did not say" (April 10/11), Mr Lawson is within the bounds of propriety in analysing President Clinton's letter and even in attributing ulterior motives to him.

However, what I think is particularly distressing is the last paragraph of his letter in which he suggests that President Clinton and others would be "stinking hypocrites" if they do not in the future send messages of sympathy on the occasion of the death of a member of the Royal Ulster Constabulary.

Given the fact that neither President Clinton nor most other politicians are likely continually to send messages of condolence whenever an atrocity is perpetrated, Mr Lawson would in effect have us conclude, in advance, that President Clinton and other are "stinking hypocrites". Now really. . .!

Eric Osterwell,
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Avenue Louise 250, Box 31,
1050 Brussels, Belgium

A model with something important to say

From Mr Andrew Britton.

Sir, I would like to respond to Wynne Godley's letter about the use of macroeconomic models in forecasting and policy design (April 14). A model is not a "monster", but a convenient way of setting out in formal mathematical terms the lessons you think you have learnt from experience. One advantage of doing this explicitly is that the basis on which you form your judgment is there for the public to see and to criticise. It makes economic forecasting less like soothsaying, and more like applied science.

After the devaluation of sterling last September, we decided at the institute to back our model and to predict a significant economic recovery beginning in the early part of this year. In doing this we were using the relevant information about the way that the economy had responded to exchange rates and interest rates in the past. But we were going against the forecasting consensus and the gloomy mood of industry at the time. That mood has changed now, and it begins to look as if the model had something rather important to say.

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British Rail: self-delusion in industrial relations

From Prof Ronald Dore.

Sir, So Sir Bob Reid has his revenge. No more check-off ("Rail strike looms as talks break up after eight minutes", April 15). The unions can collect their own dues. We have come a long way from the pre-Second World War days when it was the unions who organised the training for footplate men who wanted promotion, when unions helped work out fair duty rosters and promotion systems which accorded with workers' sense of fairness by taking account of seniority – "service" – as well as of merit. And when people rather enjoyed travelling by rail.

There were two ways to go from there; the German/Japanese way of formalising this kind of "microcorporatist" union involvement, sometimes thereby sacrificing potential short-term profits in the interests of (i) the flexibility needed for long-term change, and (ii) the concern for quality (eg, caring about service to the "customers" and whether trains run on time), which comes from high worker morale and a spirit of co-operation. The alternative is the US way based on two principles: (i) efficiency is to be defined in terms of the effect on profit and loss in the short term; (ii) the only effective work incentives are short-term, in cash and based on individual not group performance. Rigorous application of these requires total managerial control; the only good union is a dead union.

British and American managers have seized on the transitional slow-down in German and Japanese growth to proclaim the bankruptcy of those countries' recipes. Self-delusion can always find evidence to sustain itself. Luckily, some leading private sector companies – eg, ICI – are wiser. But BR is still ours, subject to political decision. Parliament is about to intervene to push it further down the US road. One-nation Tories, where are you?

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A surfeit of scorn, a tilt at British institutions – and meanwhile the barbarians are at the gate

From J G Freeland.

Sir, I was sickened by Michael Thompson-Noel's two articles, "Travel-Soothing luxury of the 'real' Bali", and "Hawks & Handsaws" (April 10/11). The first was an unoriginal piece of nastiness: the journalist from his all-expenses-paid five star hotel pouring scorn on the local culture which he has neither the wit nor the inclination to research.

But it was the second piece, about the Grand National, which really made me see red. How dare he compare the voided race with the fall of Saigon? How dare he label as unintelligent all those who enjoy or are involved in National Hunt racing and the Grand National in particular – no football hooligans these but the widest possible cross section of the British public? Has he ever been to a race meeting?

Yes, the anachronistic starting system will be modified; but it worked well enough in previous years. Significantly, it was delay and the resulting over-anxiety at the start which exposed the flaws in the system. And what caused the delay? An animal rights protest.

But Mr Thompson-Noel is not really interested in horses. He has just used the event as an excuse to tilt at Britain's traditions and institutions (including the poor old monarchy again) – his target being those special attributes of English heritage which in the past have earned the respect and admiration of the rest of the world.

And what shall we have left when these traditions and institutions have been dismantled? A mediocre England in a mediocre Europe, governed by classless politicians and media men, a country within which the pseudo-intelligentsia like Mr Thompson-Noel can flourish.

The irony is that one of these respected institutions, the Financial Times, can allow a member of its staff to publish such subversive propaganda.

And what will he achieve from this, the odious Mr Thompson-Noel, the middle class revolutionary with the double-barrelled name? Well, probably another freebie holiday in an even more exotic place than Bali, well beyond the means of those who earn their living from a less distasteful profession.

I despair more and more for the future of this country. Truly, there are barbarians at the gate.

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Companies hope to attract increased take-up and make ACT savings

Enhanced scrip from BICC

By Maggie Urry

BICC, the cables and construction group, yesterday joined the lengthening list of companies offering an enhanced scrip dividend. However, analysts believe that most companies for which the scheme has attractions, have by now decided whether or not to pursue them.

Like other companies which have introduced enhanced scrip dividends in recent weeks - BAT Industries, RTZ, Coats Viyella, Ladbroke, Forte and Redland - BICC will offer shareholders a 50 per cent higher dividend in shares as an alternative to its final cash dividend for 1992.

The net final dividend proposed was 13.25p, the scrip alternative is 19.875p.

BZW, the stockbroker, is offering to buy any shares issued to shareholders who take up the scrip offer, at a price of 18.875p, free of commissions.

The scheme enables companies to cut their advance corporation tax bills, as ACT is not payable on scrip dividends, and is beneficial for groups which are paying more ACT than they can offset against mainstream corporation tax. However, changes to the ACT regime announced in last month's budget are expected to make the scheme redundant.

If they take up the scrip offer, tax exempt shareholders who normally reclaim ACT on dividends, would not receive a tax credit but this would be more than offset by the higher dividend. Tax-paying shareholders would be better off, although the extent of the gain depends on individual tax positions.

Companies therefore hope for a much higher take-up of the offer than is usual with ordinary scrip dividends, which are rarely accepted by more than 5 per cent of shareholders.

Mr Ron Henderson, finance director of BICC, said earnings per share would be increased by 1.5p in 1993 if there was a 50 per cent take-up of the scrip offer. BICC's 1992 earnings per share were 20.2p before exceptional charges. Full take-up would result in a 5.4 per cent increase in the group's share capital.

Mr Henderson said the group had about £30m of surplus ACT and the final dividend would have required an ACT payment of between £12m and £13m.

He said the group would use the cash retained, which could total £28m, to reduce gearing. Mr Henderson said the money would not be used for a specific project but that the group would continue to invest in its continental European and North American cable operations.

Barclays launches $300m bond in US

By Richard Waters

BARCLAYS yesterday embarked on its second capital-raising exercise in a week when it launched a $300m (£200m) fixed-rate bond issue in the US which will count as tier two capital for regulatory purposes.

The issue is the first by a bank in the US market which is convertible into preference shares, which count as so-called tier one or core capital under Basle committee guidelines. The Basle rules require banks to hold capital equal to more than 8 per cent of assets, at least half of this in the form of core capital.

The bonds are structured to allow Barclays to claim the tax-deductibility of interest payments before conversion, while leaving it with the option at any time to convert into tier one capital and so boost its core capital ratio.

The bonds, which Barclays expects to be sold mainly to retail investors in the US, carry an indicative coupon of 8 per cent. If converted, the preference shares will pay 9¼ per cent.

Mr Brian Worsley, assistant treasurer, said the issue was structured in a way to discourage the bank to convert. If it did so, the higher interest rate and loss of tax relief would raise its financing costs by more than two percentage points. Also, the bank had a tier two ratio of 4.4 per cent at the end of last year, compared with tier one of 5.8 per cent, leaving it with little need to create more core capital.

The bonds yielded about 125 basis points over the US government's 30-year long bond yesterday. Barclays raised £200m in the Eurobond market a week ago.

Deal is part of strategy for bolt-on acquisitions

Hanson pays $116m for US housebuilder

By Roland Rudd

HANSON INDUSTRIES, the American arm of the Anglo-UK conglomerate, is expanding its property interests with a $116m (£75.5m) purchase of a residential housebuilder with assets in California, Arizona and Nevada.

Beazer Homes Inc, an affiliate of Hanson Industries, is buying the assets from Watt Housing Corporation.

Mr David Clarke, chief executive of Hanson Industries, said: "The acquisition of Watt Housing at an appropriate time in the homebuilding economic cycle, further expands Hanson's operations in building materials".

The move is also part of Hanson Industries' strategy of buying bolt-on acquisitions to existing core businesses. Mr Clarke said recently it was part of "a continuing programme ofexpanding Hanson's core businesses".

After being in recession for five years since the end of 1986, the building industry is recovering with new work rising by 3.5 per cent last year. NatWest Securities estimates that it will rise by 5 per cent this year and that the recovery should continue at least until 1995, when total work in place will be more than 15 per cent higher than it is today.

California remains the weakest state, and NatWest Securities believes it will continue to underperform the rest of the US for another two years.

Mr Martin Taylor, Hanson's vice chairman, said: "You would expect us to take that into consideration when we did our due diligence and decided on what price we would pay for the assets".

Last year Beazer Homes sold 1,152 homes in the south-east of the US. Beazer Homes Limited, the UK's third largest homebuilder, sold 4,948 houses. Combined Beazer sales for the US and UK homebuilding operations in 1992 were $602m with pre-tax profits of $80m.

Vardon moves into bingo with £9m buys

By Angus Foster

VARDON, the acquisitive leisure company which owns the London Dungeon, is moving into bingo with the purchase of 12 clubs for up to £9m.

Vardon, which was listed last October, will fund the acquisitions through a placing and open offer at 72p a share to raise £13.5m. The shares added 1p to 79p.

Mr Nick Irens, chief executive, said bingo would broaden Vardon's base away from seasonal businesses. As well as the London and York Dungeons, Vardon also owns Sea Life Centres and a seal sanctuary, all of which rely on summer turnover.

He added that there were also growth opportunities as new, edge-of-town sites were developed to compete with existing facilities. The extra money raised in the placing would be used to build new clubs.

Vardon is buying Ritz, a private company which owns three clubs and is about to open a fourth, and Lion Leisure, a subsidiary of Wembley, which operates seven clubs. Both companies were profitable in their latest financial year.

The open offer, underwritten by SG Warburg, is on a 2-for-5 basis.

Causeway Smaller Quoted Companies Fund, one of Vardon's largest shareholders, has sold its 12.5 per cent stake, which was placed by Warburg. Mr David Hudd, Vardon's chairman, said Causeway invested in Vardon at 45p and had decided to take its profits.

Dublin nets I£104m in sale of Irish Life shares

By Tim Coone in Dublin

THE IRISH government has disposed of just over half of its remaining 33.6 per cent stake in Irish Life, the largest fund manager in the Irish Republic, for a total of I£104m.

The 55m shares were sold at I£1.90 a share, to "a large number of institutional investors, both domestic and foreign" according to the finance department.

Two thirds went to Irish investors. Market analysts said the government chose a good moment to sell. The price realised represented only a 5 per cent discount on the last traded price.

Mr Bertie Ahern, finance minister, said at the time of the budget last January, that the government intended to raise some I£150m this year by selling off part of its remnant shareholdings in the former state-run companies Greencore and Irish Life, which were both privatised in 1991. The hang-over of the government shareholding has tended to depress the price of both stocks.

Irish Life said it was pleased at the broadening of its shareholder base and particularly encouraged by the overseas interest in Irish Life stock.

Government efforts to sell its 30.4 per cent stake in Greencore, a sugar, milling and malting concern, have not progressed so smoothly, however.

Interest has been shown by ADM, the US food conglomerate, but fears over losing control of the Irish sugar quota to a foreign company have fuelled political opposition to the sale, forcing the government last month to open the sale to tender with the intention of encouraging a bid by Irish food companies. None came forward however, and ADM is now playing hard-to-get, presumably with a view to beating the government down on an earlier offer of I£2.60 a share.

Siebe offshoot chief lured to head US company

MR Robert Smialek has stepped down as chief operating officer of the temperature and appliance controls division of Siebe, the engineering company, writes Angus Foster.

Mr Smialek joined Siebe four years ago and became a main board director last November. He is to become chairman and chief executive officer of Insilco, the US automotive and consumer products group which recently emerged from chapter 11 proceedings.

Mr Barry Stephens, Siebe's chairman, said Mr Smialek had been made an offer "he just couldn't refuse". "He's going to have a salary you can choke on and millions of share options," he said.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
CSC Inv Trust ....fin	2.5	June 4	3	4	5
Elys (Wimbledon) ......fin	14.5	June 17	14.5	16	16
Swallowfield ....fin	2.2	June 4	3.9	4.4	6.1

Dividends shown pence per share net except where otherwise stated. †On increased capital. §USM stock.

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc. Date	1993 High	1993 Low	Stock	Closing Price	+ or -	Net Div	Times Cov'd	Gross Yield	P/E Ratio
-	F.P.	-	¼	½	Anglo Utd Warrants	½		-	-	-	-
170	F.P.	-	214	193	Brown (D)	214	+7	W8.0	2.4	3.5	16.2
150	F.P.	-	188	153	David Lloyd Leis	170	-6	b1.95	4.8	1.4	16.5
100	F.P.	-	103	100	Fleming Emerg Mkts	103		-	-	-	-
100	F.P.	-	105	98	For & Col US Smlr Co's	102		-	-	-	-
-	F.P.	-	44	30	Do. Warrants	41		-	-	-	-
138	F.P.	-	145	145	Hambros Ins Service	145		R5.2	2.0	4.5	14.0
195	F.P.	-	214	185	Holliday Chemical	209		W3.7	2.9	2.2	19.2
100	F.P.	-	100	98	Pilot Inv. Trust	97½		-	-	-	-
-	F.P.	-	28	21	Do Warrants	27		-	-	-	-
380	F.P.	-	538	385	Quality Software Prods	469		-	-	-	22.6
260	F.P.	-	287	260	Westminster H'care	264	-3	W3.75	3.7	1.7	18.2
110	F.P.	-	141	125	Yorkshire Food	132	-2	W2.88	2.6	2.7	15.6

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1993 High	1993 Low	Stock	Closing Price £	+ or -
-	F.P.	-	117½p	102¼p	Airtours 6½p (Net) Cv. Pf.	105½p	-½
100p	F.P.	-	122½p	115½p	Bristol Water 8¾pc Pf.	117½p	-½
100	F.P.	-	101½	101	Central Independent 6½pc Cv. 2008	101¼	
100p	F.P.	-	112½p	105½p	Commercial Union 8¾pc Cm. Pf.	108p	-½
100	F.P.	-	105¼	104½	Inchcape 6¼pc Cv 2008	104⅞	
100	F.P.	-	114⅛	106½	MFC 7¾pc Cv. Bd. 2007	107⅞	+⅛
100	F.P.	-	125½	122½	Pope Estates 7½pc Cv. Uns. Ln. 2020	125	

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1993 High	1993 Low	Stock	Closing Price p	+ or -
265	Nil	5/5	63pm	61pm	Barrose	62pm	
20	Nil	17/5	11pm	9pm	‡Bilston & Battersea	9pm	
44	Nil	10/5	4½pm	1½pm	Clyde Petroleum	2¼pm	
10	Nil	11/5	¾pm	¾pm	‡Ensor	¾pm	
200	Nil	6/5	20pm	15pm	Harris (P)	15pm	
100	Nil	29/4	12pm	6pm	Ingham	11pm	+2
265	Nil	13/5	78pm	58pm	Low & Bonar	59pm	-1
36	Nil	7/5	10pm	10pm	Mayflower Corp.	10pm	
180	Nil	13/5	54pm	19pm	Medeva	26pm	-4
150	Nil	26/5	21pm	14pm	Slough Estates	14pm	-1

b Figures based on prospectus estimates. H Dividend and yield based on prospectus or other official estimates for 1993. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1993-94. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ‡ Issued by way of rights. † Introduction. § Placing price. †† Reintroduction. ‡ Unlisted securities market. ♦ Issued in connection with reorganisation, merger or takeover. pm Price at a premium. ♥ Units comprising 1 ord. and 1 zero pref. share.

TRADITIONAL OPTIONS

- First Dealings April 5
- Last Dealings April 16
- Last Declarations July 15
- For settlement July 26

3-month call rate indications are shown on page 9.

Calls in Downiebrae, Hartstone, Ibstock Johnsen, Mirror Group, Ramco Oil and Tadpole Tech. Puts in LIT, Sturge and Taylor Nelson AGB. Doubles in Downiebrae and Premier Cons.

PUBLIC WORKS LOAN BOARD RATES

Effective April 14

Years	Quota loans* EP†	A††	maturity§
1			5¾
Over 1 up to 2	5⅝	6	6½
Over 2 up to 3	6¼	6¼	6¾
Over 3 up to 4	6½	6½	7
Over 4 up to 5	6⅝	6¾	7¼
Over 5 up to 6	6⅞	6⅞	7⅝
Over 6 up to 7	7	7	7⅞
Over 7 up to 8	7⅛	7¼	8¼
Over 8 up to 9	7¼	7⅜	8½
Over 9 up to 10	7½	7⅝	8⅝
Over 10 up to 15	8⅛	8½	9
Over 15 up to 25	9	9⅛	9⅜
Over 25	9¼	9⅜	9⅜

*Non-quota loans A are 1 per cent higher and non-quota loans B 2 per cent higher in each case than quota loans. †Equal instalments of principal. †† Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Queens Moat replaced by Norcros in FT-SE Mid 250

QUEENS Moat Houses, the hotel company the shares of which were suspended last month amid financial difficulties, was yesterday removed from the FT-SE Mid 250 and replaced by Norcros, building products and packaging group.

Under rules introduced last year, Queens Moat was withdrawn from the index after yesterday's close at a nominal share price of 1p compared to its suspension price of 47½p.

Although this leads to falls in the value of the FT-SE Mid 250, the FT-Actuaries All Share and other indices, the new rules are designed to be more realistic.

In the past, shares were withdrawn from the FT-SE 100 at their suspension price, which few shares could match if and when trading resumed.

This meant it was often impossible for fund managers to match the performance of the index.

The following is the full text of the statement issued by the FT-SE Actuaries UK Indices Committee after the stock market closed yesterday:

"The FT-SE Actuaries UK Indices Committee has today approved, following the suspension of shares in Queens Moat Houses on March 31 1993, that Queens Moat Houses be removed from the FT-SE Mid 250 at a nominal price of 1p and replaced by Norcros after close of business today.

"The removal of Queens Moat Houses has been made in accordance with Rules 7.4.2 and 7.4.3 of the Ground Rules for the Management of the FT-SE Actuaries Share Indices. Rule 7.4.3 allows for a suspended constituent which subsequently restores its quotation to be reinstated at the value at which it was removed (eg. 1p).

"Norcros will be promoted to the FT-SE Mid 250 from the FT-SE SmallCap.

"No replacement company will be included in the FT-SE SmallCap.

"The removal of Queens Moat Houses from the FT-SE Mid 250 will result in the following adjustments to the FT-SE Actuaries UK Indices after today's close:

FT-SE Mid 250: -10.47 index points;
FT-SE Actuaries 350: -1.05 index points
FT-SE-A 350 Hotels & Leisure Industry Basket: -48.97 index points.
FT-Actuaries All-Share: -1 index point;
FT-A All-Share Hotels & Leisure sector: -40.9 index points."

A pan-European pipe-dream come true

Delta has seized upon the opportunities presented by the single market, **reports Jane Fuller**

IF A company could treat the single market like a blank canvas, it would be easy to establish a pan-European business.

In manufacturing, the company could site its factories according to wage and skill levels to give the lowest production costs; in marketing it could promote a single brand and corporate name; in management it could be cosmopolitan, making it easy to spread best practice through the group.

Delta, the UK electrical cables and engineering concern, has tried to follow such guidelines in building up a pan-European business for copper-alloy plumbing fittings.

It started with a small UK subsidiary, manufacturing in Birmingham and Dundee. The home market was, however, mature as the vast majority of domestic sanitary and heating systems had already been converted from galvanised iron to copper.

Continental Europe held much more potential, with only half the old systems converted in the west and plenty of virgin territory in the east.

Delta decided that the market offered enough scope for a Europe-wide approach in spite of local variations - in pipe diameters for instance - and local loyalties to companies and brands.

The first step came in 1987 with the acquisition of NIBCO Europe from a US group, bringing in German, French and Spanish subsidiaries.

After a total investment of about £55m, IBP - the name adopted for the Europe-wide business - has factories in five countries and a marketing and distribution network extending to about 20. Sales have doubled since the original NIBCO purchase.

IBP accounts for nearly half of Delta's engineering division, the group's biggest operating profit earner in 1992 with £22.2m on sales of £320.1m.

The NIBCO deal brought in two key executives: IBP's managing director, Mr Rudi Brodkorb, a German, part of whose education was in France, and the production director, Mr Luis Adarraga, also MD of ATCOSA in Spain, whose family has worked in copper for two generations.

Their first aim has been to reduce production costs. The idea is to make low-volume items in areas with lower labour costs, such as Spain and Poland, while the emphasis in Germany is on high volumes and automation.

When you look at the data on labour, however, 550 of the near 1,200 employees are in Germany. This is partly because it is the biggest market and partly historic. With NIBCO, Delta inherited a copper pipe factory, which supplies a third of in-house needs, a red-brass facility (for threaded components) and a foundry.

Mr Brodkorb acknowledges that if the group were starting from scratch it would not locate a foundry in Germany. But the planning barriers to building one elsewhere are prohibitive.

Rudi Brodkorb: a common set of standards has yet to be achieved

In ATCOSA's factory in Cordoba, southern Spain, 800 different products are made - although 26 of them account for 75 per cent of the volume.

Some product lines have been transferred to this plant to take advantage of lower labour costs, but such moves are always accompanied by an effort to improve the process. "We develop a more automated system to deal with a future problem of higher wages," Mr Adarraga says.

Typical improvements are to knock two procedures into one and to find ways of saving material - the next highest cost after labour. For instance the Cordoba factory has developed a method of making an "elbow" joint that simplifies the cutting process and saves copper in the pipe walls.

Such advances can be extended to other areas of the group. But it would be wrong to attribute much of the momentum to the single market. International competition and customer demands for flexibility of supply are the driving forces.

On the marketing side, the promotional effort operates on three levels. The bulk of the products, wherever they are on sale in Europe, come under the B brand. This means the customer does not know where they are produced.

Mr Brodkorb says that transportation costs are relatively small. Here the single market has saved time and paperwork.

However, it has yet to provide a common set of standards. These are supposed to be hammered out by 1994, but Mr Brodkorb is pessimistic about the timetable because national quality standards are still being generated, effectively forming barriers to entry.

The next level of branding is the subsidiary name. Here IBP has respected the local loyalties of customers - typically regional plumbing wholesalers - and kept historic names. Finally the pan-European banner is promoted via the IBP prefix.

Product prices are an important part of the marketing equation. Before Britain left the ERM, a big effort had been made to bring prices into line. Mr Brodkorb says the variation had been reduced to 7 per cent, which minimised the incentive for cross-border under-cutting. The pound's devaluation has severely disrupted this effort.

With both manufacturing and marketing presenting a cross between single-market values and historic national constraints, the third ideal of having a cosmopolitan management might seem harder to achieve.

However, the IBP board is surprisingly international. The managing and marketing directors are German, the production director Spanish, and the finance director English. Product development and purchasing is split between English and French directors.

The benefits of the cosmopolitan approach are the exchange of ideas and technology, and the overview that informs the endless process of rationalisation.

This was put to the test when IBP took over Atub in Normandy in 1990. Changes had to be made to both management and technology. But Atub insisted that one of its processes was the best. As a PR exercise initially, IBP decided to hear them out. It turned out that Atub was right, and now some of its technology is being spread through the group.

As IBP extends its ambitions, both geographically and in terms of product range, that open-mindedness will increasingly be called upon to ease the tension between European goals and specific regional situations.

NEWS DIGEST

Wharfedale restructure hits Verity

PROBLEMS AT Wharfedale Loudspeakers, which were more intransigent and deep rooted than earlier thought, were the main reason behind continuing pre-tax losses of £1.54m at Verity Group in the six months to December 31, against £1.71m.

In addition the expected launch of the car alarm was delayed due to design and licensing problems.

On turnover of £6.84m (£4.75m) the USM-quoted electronics products producer incurred operating losses 69 per cent higher at £1.01m (£597,000). The figures included a contribution from the Mission companies from their acquisition in October which contributed turnover of £3.13m.

Net interest payable was £366,000 (£299,000) and there were exceptional charges of £172,000 (£809,000) relating to costs of reorganising Wharfedale. Further costs of £750,000 are expected in the second half.

The figures are produced in accordance with FRS 3. Last year's reported interim pre-tax loss was £1.34m.

On prospects Sir Gordon Brunton, chairman, said that the board was confident the problems at Wharfedale had been largely resolved and in the third quarter the core audio business was trading profitably at the operating level.

Losses per share came out at 2.2p (7.7p).

Golden Vale has 99% of Leckpatrick

Golden Vale, the Irish dairy group which has made an agreed offer for Leckpatrick Holdings, announced that by the first closing date it had received valid acceptances in respect of 6.48m Leckpatrick shares - 99 per cent of the target's issued capital.

Accordingly, the offer has become unconditional as to acceptances and is held open until further notice.

Leckpatrick is a private dairy processor based in Northern Ireland, and Golden Vale's offer was made through Anorra Holdings, its UK investment vehicle.

The offer, which consists of 10-year loan notes, redeemable after one year, valued each Leckpatrick share at 332p and included a partial cash alternative up to a total of I£4.34m.

Wills offer for Platon unconditional

Wills Group, the industrial, electronic and automotive products group, now owns or has received valid acceptances in respect of 5.6m Platon International ordinary shares, being 52.6 per cent of its issued share capital.

The recommended offer for the USM-quoted instrumentation group has accordingly been declared unconditional as to acceptances and remains open until further notice. The cash alternative will close at 3pm on April 22.

Brasway Tube sold for up to £3.4m

Brasway has sold its Brasway Tube business to Senior Tube, a subsidiary of Senior Engineering Group, for a total cash consideration not exceeding £3.4m, with £3m payable on completion.

The price was based on plant and machinery, vehicles and stocks at completion of £2.5m. Brasway Tube made pre-tax profits of £182,000 for 1991/92, but incurred losses of £157,000 for the nine months to January 30 1993.

Elys suffers 43% decline to £502,000

Pre-tax profits of Elys (Wimbledon) showed a 43 per cent decline, from £879,000 to £502,000, in the year to January 30. Turnover for the period fell by £472,000 to £12.11m.

A same-again final dividend of 14.5p is proposed to maintain the total for the year at 16p. The dividend is covered 1.8 times by earnings per share of 29p (49.3p).

Time Products pays $7m for agency

Time Products, the watch and jewellery distribution group, has paid $7m cash (£4.53m) to acquire the agency to distribute Audemars Piguet watches throughout North America.

Last month Time purchased a 5 per cent interest in Audemars Piguet, one of Switzerland's prestigious watch makers.

Mr Marcus Margulies, chairman, said for a long while Time had been seeking to exploit its brand marketing expertise more widely in North America.

HTV plans sale of Cordmate Inv

As part of its strategy of concentrating on its core activities, HTV, the independent television company for Wales and the west country, has reached conditional agreement to dispose of Cordmate Investments, poster planning and buying agency.

Alban Securities, which has been formed by a management team supported by an institutional investor, will pay £2.2m cash on completion of the sale. However, HTV is required to repay certain inter-company balances which will reduce the sale proceeds to about £500,000.

In 1992 Cordmate, which is a holding company for three subsidiaries: Concord, Alban and Cordmate, made pre-tax profits of £426,000. At the end of December net assets amounted to £1.9m.

An extraordinary general meeting is to take place on May 4 to seek shareholder approval.

Property Security Investment Trust

Property Security Investment Trust has changed its name to PSIT.

The company said that the initials had been generally used both by the company itself as a logo and by many of the people and institutions in the financial and property markets.

CSC Investment net asset value lower

CSC Investment Trust reported net asset value of 101.63p at December 31 down from 108.42p a year earlier.

For the 1992 year net revenue came out at £45,000 (£85,000) for earnings per share of 2.75p (5.15p). The final dividend is a proposed 2.5p for a total of 4p (5p).

M T W T F S S

ECONOMIC DIARY

TODAY: National Savings results (March).
TOMORROW: Italian referendum on electoral reform.
MONDAY: Finished steel consumption and stock changes (fourth quarter). The economic and finance ministers of the European Community meet in Luxembourg. European Parliament in plenary session in Strasbourg (until April 23). European Community finance ministers meet with EFTA colleagues in Luxembourg to discuss initiatives to promote economic growth.
TUESDAY: Confederation of British Industry publishes survey of distributive trades (March). Public sector borrowing requirement (March). US housing starts-building permits (March). Middle East peace talks due to resume.
WEDNESDAY: Index of production and construction for Wales (fourth quarter). National referendum on Brazil's future form of government. Pathfinder prospectus for Zeneca.
THURSDAY: Britain and China are to hold talks in Beijing over the future of Hong Kong. Engineering sales and orders at current and constant prices (February). Provisional figures of vehicle production (March). Labour market statistics: unemployment and unfilled vacancies (March-provisional); average earnings indices (February-provisional); employment, hours, productivity and unit wage costs; industrial disputes. US jobless claims. Mr Edouard Balladur, French prime minister, meets Mr Helmut Kohl, German chancellor, in Bonn. British Chambers of Commerce publishes quarterly economic survey. Bundesbank council meets.
FRIDAY: Building societies monthly figures (March). Retail sales (March). Major British banking groups' monthly statement (March). Provisional estimates of monetary aggregates (March). Balance of trade with countries outside the European Community (March). US durable goods (March). The energy/environment council of the European Community meets in Luxembourg. EC/Latin America group meets in Copenhagen (until April 24). Annual meeting of EBRD.

LIFFE EQUITY OPTIONS

Option		CALLS Jul	Oct	Jan	PUTS Jul	Oct	Jan
Alld Lyons (*532)	550	27	40	46	35	43	48
	600	11	22	28	72	77	79
ASDA (*66)	57	13	15	-	3	5	-
	67	7	9	-	5	9	-
Brit. Airways (*285)	280	33	32	38	15	20	25
	300	14	23	27	26	30	36
SmKl Bchm A (*418)	390	48	57	67	15	23	27
	420	31	41	51	28	36	41
Boots (*470)	460	37	47	56	17	23	29
	500	16	28	37	38	44	48
B.P. (*305)	300	20	26	32	13½	19	23
	330	8½	14	19	33	37	40
British Steel (*95)	90	11½	14½	18	7	9	11
	100	6	10	13	12	14	16
Bass (*561)	550	34	48	65	22	29	40
	600	14	28	33	55	58	70
C & Wire (*728)	700	57	70	83	26	32	42
	750	29	43	58	53	60	66
Courtaulds (*556)	550	36	48	68	27	37	43
	600	4	13	22	102	105	110
Com. Union (*621)	580	62	67	-	11	21	-
	629	31	42	-	30	43	-
Fisons (*164)	160	17	24	27	17	23	25
	180	8½	17	20	31	35	38
GKN (*455)	420	50	57	-	8	17	-
	460	28	34	-	22	35	-
Grand Met. (*433)	420	34	43	50	16	23	28
	460	13	24	32	38	45	50
I.C.I. (*1190)	1150	95	107	130	34	60	67
	1200	66	82	105	58	86	92
Kingfisher (*586)	584	32	45	-	30	39	-
	632	15	26	-	62	69	-
Ladbroke (*171)	160	24	30	34	8	15	20
	180	13	21	26	19	26	30
Land Secur (*534)	500	43	47	50	14	18	24
	550	12	21	27	44	46	51
M & S (*349)	330	30	37	42	9	14	16
	360	13	22	28	24	28	31
Sainsbury (*471)	460	34	47	58	23	28	33
	500	16	29	38	46	51	55
Shell Trans. (*583)	550	49	58	64	7	15	19
	600	20	28	37	28	38	42
Storehouse (*196)	180	26	31	34	8	12	16
	200	14	20	24	17	23	28
Trafalgar (*83)	83	8½	12	-	10	12	-
	92	5½	8½	-	16	18	-
Utd. Biscuits (*389)	360	40	50	56	10	17	21
	390	29	32	40	21	31	37
Unilever (*1118)	1100	68	91	106	28	39	48
	1150	37	61	76	54	63	73
Option		**May**	**Aug**	**Nov**	**May**	**Aug**	**Nov**
Brit Aero (*274)	260	25	40½	51½	9	23½	33½
	280	14	30½	42½	20	34	44½

Option		CALLS May	Aug	Nov	PUTS May	Aug	Nov
BAA (*775)	750	40	50½	68½	7	27	35½
	800	11	26½	43½	35	53½	62
BAT Inds (*895)	850	63	90	97	10	25	41
	900	28	57	69	28	47	65
BTR (*607)	600	21	37	45	10	20	31
	650	4	16	23	45	50	60
Brit. Telecom (*410)	390	29	38	43	3½	11½	17
	420	7	19	26	14	26	30
Cadbury Sch (*479)	460	28	43	53	5½	14	22
	500	7½	22	32	26	33	41
Eastern Elec (*487)	460	22	33	40	8½	26	38
	500	5	14½	22	34	52	56
Guinness (*483)	460	25	42	51	10	18	27
	500	6½	19	31	33	41	49
GEC (*320)	300	25	30	34	2½	9½	13
	330	6	12	18	13	24	30
Hanson (*234)	220	17½	21	25	2	6½	10
	240	5	10½	15½	10	16	20
LASMO (*143)	140	11	19	25	7	13	18
	160	3½	10	17	21	25	30
Lucas Inds (*129)	120	12	18	21	4½	8	13
	130	6	12	15	8½	13	18
P. & O. (*546)	500	57	70	80	3½	12	26
	550	20	39	50	19	33	50
Pilkington (*119)	110	13	16	20	3	7	9
	120	8½	10½	14	8½	12	15
Prudential (*330)	330	12	22	28	10	17	24
	360	2½	11	17	33	37	41
R.T.Z. (*647)	600	57	73	86	4	13	22
	650	21	42	66	20	32	44
Scot. & New (*468)	460	18	31	39	10	24	31
	500	4	14	22	37	50	57
Tesco (*225)	220	11	20	26	8	14	18
	240	3½	11	17	22	26	30
Thames Wtr (*514)	500	27	33	39	8	24	33
	550	5	11	18	40	57	63
Vodafone (*378)	360	25	36	47	8	17	25
	390	9½	21	33	20	33	40
Option		**Jun**	**Sep**	**Dec**	**Jun**	**Sep**	**Dec**
Abbey Nat. (*371)	360	25	34	41	8½	17	22
	390	10	19	28	25	33	38
Amstrad (*33)	30	6	8	9	2	3	4
	35	3	5½	7	4½	5½	6½
Barclays (*407)	390	33	43	62	12	23	29
	420	16	27	37	27	38	44
Blue Circle (*240)	240	11	19	26	18	24	30
	260	6	12	18	33	37	43
British Gas (*307)	300	15½	20½	25	10½	15	22
	330	3	9½	12½	32	35	40
Dixons (*194)	180	23	28	34	6	14	17
	200	13	18	24	15½	24	28
Eurotunnel (*460)	420	62½	82	97½	15	29½	39½
	450	37	60½	70	32½	49	61½

Option		CALLS Jun	Sep	Dec	PUTS Jun	Sep	Dec
Glaxo (*656)	650	42	62	71	27	42	59
	700	21	40	51	58	71	88
Hillsdown (*152)	140	15	18	24	7	11	13
	160	4½	11	15	18	22	26
Lonrho (*83)	80	9½	13	16½	5	8½	10½
	90	4½	8½	12	11	14	18½
HSBC 75p shs (*631)	600	53	73	89	17	33	44
	650	27	48	64	42	57	69
Natl Power (*341)	330	23	32	42	8½	15	19
	360	9½	19	27	25	30	33
Reuters (*1276)	1250	73	108	141	33	57	77
	1300	46	82	115	57	82	103
R. Royce (*123)	120	11	17	20	7½	10½	15
	130	7½	12	16	13	15½	20
Scot Power (*315)	310	18	20	26	7½	18½	20
	330	6½	11	17	20	28	31
Sears (*101)	100	7	9	13	6	9½	11
	110	3	5½	8	14	16	18
Forte (*194)	180	18	23	28	8	12	17
	200	6	13	18	19	23	29
Thorn EMI (*872)	850	42½	58	72	21	46	54½
	900	18	34½	49½	68½	75	85
TSB (*178)	160	23	27	31	3½	8	10
	180	11	16	21	11	17	20
Vaal Reefs (*$44)	40	8	9	10½	2	4½	5
	45	5	6½	8	4	6½	7½
Wellcome (*724)	700	60	85	113	27	45	61
	750	34	62	88	54	69	85

EURO FT-SE INDEX (*2825)

	2675	2725	2775	2825	2875	2925	2975	3025
CALLS								
Apr	165	116	65	15	½	½	½	½
May	160	117	79	48	28	12	5	2
Jun	178	136	100	71	48	31	20	11
Sep	-	188	-	130	-	85	-	50
Dec	-	240	-	175	-	125	-	85
PUTS								
Apr	½	½	½	½	38	87	137	187
May	7	14	27	48	73	110	154	200
Jun	17	27	42	63	88	121	158	200
Sep	-	60	-	100	-	150	-	218
Dec	-	90	-	130	-	170	-	230

FT-SE INDEX (*2825)

	2650	2700	2750	2800	2850	2900	2950	3000
CALLS								
Apr	190	140	90	40	½	½	½	½
May	185	139	99	63	37	19	9	4
Jun	197	155	119	87	59	37	23	13
Jul †	211	172	135	103	77	55	37	24
Dec	-	255	-	185	-	135	-	95
PUTS								
Apr	½	½	½	½	12	62	112	162
May	6	11	20	35	59	94	135	181
Jun	15	24	35	54	77	105	144	185
Jul †	24	34	47	64	87	117	152	191
Dec	-	85	-	120	-	170	-	230

April 16 Total Contracts 25,149
Calls 14,584 Puts 10,565
FT-SE Index Calls 5,782 Puts 4,420
Euro FT-SE Calls 340 Puts 2,506
Eurotrack 100 Index Calls Puts
*Underlying security price. † Long dated expiry mths
Premiums shown are based on closing offer prices.

TRADITIONAL OPTION 3-month call rates

■ INDUSTRIALS	p	Cadburys	36	HSBC (75p shs)	39	Ratners	3	Brit Land	7
Allied-Lyons	50	Charter Cons.	52	Hanson	20	Reed Intl	52	Land Sec.	40
Amstrad	3½	Comm Union	52	ICI	75	Sears	9	MEPC	30
Astec (BSR)	3½	Courtaulds	48	Ladbroke	15	SmKl Bchm A	40	■ OILS	
BAT Inds	75	Eurotunnel	30	Legal & Gen	38	TI	28	Arcon Intl.	6
BOC	56	FKI	12	Lex Service	19	TSB	12	Aviva Pet	5
BTR	41	FNFC	7	Lloyds Bank	45	Tesco	20	BP	21
Barclays	30	Forte	14	Lonrho	7	Thorn EMI	70	Burmah Castrol	60
Blue Circle	22	GKN	40	Lucas Inds	13	Tomkins	22	Premier Cons	3
Boots	42	Gen Accident	31	Marks Spencer	25	T & N	15	Shell	36
Bowater	40	GEC	22	NatWest Bank	30	Unilever	72	■ MINES	
Brit Aerospace	24	Glaxo	55	P & O Dfd	40	Vickers	9	RTZ	52
British Steel	6	Grand Met	40	Racal Elect	12	Wellcome	75		
Brit Telecom	28	GRE	15	Rank Org	53	■ PROPERTY			

FT FIXED INTEREST INDICES

	April 16	April 15	April 14	April 13	April 8	Year ago	*High	*Low
Govt Secs (UK)	96.35	96.91	97.12	97.60	97.20	88.82	98.04	93.28
Fixed Interest	112.78	112.86	113.01	113.02	112.65	102.67	113.83	108.67

* for 1993. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75)
Fixed Interest high since compilation: 113.83 (8/3/93), low 50.53 (3/1/75)
Basis 100 Government Securities 15/10/26. Fixed Interest 1928.

GILT EDGED ACTIVITY

	Gilt edged bargains*	5-Day Average
April 15	121.4	103.6
April 14	107.8	99.8
April 13	103.5	97.0
April 8	86.9	96.8
April 7	98.6	104.5

* SE activity indices rebased 1974

COMMODITIES

WEEK IN THE MARKETS

S African riots push up platinum

CIVIL DISTURBANCES in South Africa following the killing of black leader Chris Hani produced strong reverberations in the platinum market this week.

South Africa accounts for about two-thirds of western world platinum supplies so the market is particularly sensitive to the prospect of escalating unrest in that country. An erratic rise saw the New York Mercantile Exchange's July futures position touch $374 a troy ounce at one point, the highest since December, but in late trading yesterday it was quoted at $371.90 an ounce, up $13.10 on the week.

Analysts say $373.50 an ounce remains a strong resistance level and that a break above $375 is needed to trigger a sharp rise. Dealers will be watching Mr Hani's funeral on Monday for indications as to whether tensions in South Africa are likely to intensify or relax in the near future.

At the London Metal Exchange sentiment was dominated by the continued slide in copper prices to fresh 5½-year lows. Following the heavy pre-Easter fall a recovery was attempted on Tuesday. But that proved short-lived and by Thursday's close the psychologically-important $2,000-a-tonne level had been breached. Overnight selling in the Far East set the tone for yesterday's opening and stop-loss and options-related selling quickly pushed the three months delivery price to $1,877 a tonne. By the close the price had recovered to $1,903 a tonne, but that was still $113 down on the week.

Mr William Adams of LME trader Rudolf Wolff said yesterday that the copper market was very over-sold but suggested that the price was likely to remain volatile because of options-related activity. The latest falls, which took losses over the past ten days to $270 a tonne, or 12.5 per cent, seemed to have been partly influenced by panic selling, he said. "Copper hasn't been down here since October 87. . . it is running off the charts."

The price was now close to break-even level for some of the higher cost producers, Mr Adams pointed out. But he did not expect to see production cuts yet as "people are still making profits". Producers would not begin to scale down output until the market price was well below costs, Mr Adams said, "and producers have to believe that it is going to stay there".

Copper's weakness affected sentiment in the other LME contracts. Nickel was particularly weak with the three months price slipping $235 to a 10-week low of $5,840 a tonne at one point after the breaching of the $6,000-a-tonne support level triggered the operation of stop-loss selling orders and commission house and merchant selling. The price rallied yesterday, however, and broke through resistance at $5,900 a tonne to close at $5,397.50 a tonne, up $90 on the day and $137.50 down on the week.

The zinc market began the week in a relatively buoyant mood as chart-based resistance around $1,030 a tonne for three months metal was overcome and investment fund short-covering was triggered. There was also talk of production cuts in Pacific Rim countries, though this remained unconfirmed.

Overhead resistance appeared at $1,050 a tonne, however, and disappointment at the modest scale of Chinese production cuts helped to push prices lower. The three months zinc price closed yesterday at $1,025.75 a tonne, down $3 on the day and up a mere $7.75 on the week.

LME WAREHOUSE STOCKS
(As at Thursday's close)
tonnes

Aluminium	-6,400	to 1,756,825
Copper	+2,350	to 369,600
Lead	+400	to 247,975
Nickel	+288	to 88,686
Zinc	+5,150	to 609,350
Tin	unchgd	at 19,650

At the London Futures and Options Exchange robusta coffee prices regained some more of their lost ground but once again ran into resistance as the $900-a-tonne level for the July contract was approached. The price reached $885 a tonne on Thursday but slipped back yesterday to $876, up $27 on the week. Dealers were encouraged, nevertheless, by signs that the coffee market was building a solid base and suggested that the break-out from the present range, when it came, was likely to be on the up-side.

The collapse at the end of last month of attempts to renegotiate a price-supporting International Coffee Agreement seems to have done the market little harm. In fact it may have helped sentiment by removing any lingering uncertainty about the prospects for a new pact.

Producing countries are not yet ready to abandon all hope, however. Officials of the Inter-African Coffee Organisation told the Reuter news agency yesterday that ministers from Africa's 10 main coffee nations, including Ivory Coast, Ethiopia, Uganda, Kenya and Zaire, were expected to attend a meeting in the Ivory Coast on April 26-27 to consider their next step after the failure of the pact talks.

Mr Guy-Alain Gauze, the Ivorian commodities minister and the current IACO chairman, said last week that African countries wanted to try to revive the negotiations in a desperate bid to force up languishing world prices which have crippled poor producers. He explained that the Abidjan meeting would examine new proposals to be put to a session of the International Coffee Organisation's 16-member executive board in London on April 28-30.

Sugar prices continued their retreat from recent highs this week but analysts were suggesting after a modest bounce yesterday that the "rout" might be over. The July futures position in New York was quoted at 11.13 cents a lb, up 0.12 on the day but down 0.36 on the week.

Richard Mooney

FT-ACTUARIES FIXED INTEREST INDICES

PRICE INDICES

		Fri Apr 16	Day's change %	Thu Apr 15	Accrued interest	xd adj. 1993 to date
	British Government					
1	Up to 5 years (23)	127.69	-0.28	128.14	1.45	3.82
2	5-15 years (24)	147.13	-0.56	147.95	1.01	5.22
3	Over 15 years (6)	158.05	-0.96	159.59	2.03	3.16
4	Irredeemables (6)	182.25	-0.72	183.58	4.11	1.48
5	All stocks (61)	143.60	-0.53	144.44	1.35	4.39
	Index-Linked					
6	Up to 5 years (2)	183.80	+0.07	183.67	0.21	1.92
7	Over 5 years (12)	173.70	-0.38	174.36	0.57	1.72
8	All stocks (14)	173.91	-0.32	174.47	0.52	1.75
9	Debs & Loans (66)	128.19	-1.02	129.52	2.37	3.08

AVERAGE GROSS REDEMPTION YIELDS

			Fri Apr 16	Thu Apr 15	Year ago (approx.)	1993 High		1993 Low	
	British Government								
1	Low	5 years	6.90	6.80	8.36	7.20	5 /1	6.33	19/2
2	Coupons	15 years	7.87	7.75	9.02	8.37	12/1	7.54	18/3
3	(0%-7¾%)	20 years	8.10	7.98	9.03	8.64	20/1	7.83	8 /3
4	Medium	5 years	7.16	7.05	9.27	7.56	11/1	6.73	15/3
5	Coupons	15 years	8.28	8.17	9.07	8.83	19/1	8.06	8 /3
6	(8%-10¾%)	20 years	8.42	8.31	9.05	9.05	20/1	8.23	13/4
7	High	5 years	7.39	7.27	9.50	7.78	11/1	6.88	8 /3
8	Coupons	15 years	8.50	8.42	9.18	9.11	20/1	8.27	8 /3
9	(11%-)	20 years	8.57	8.48	9.12	9.20	20/1	8.36	8 /3
10	Irredeemables(Flat Yield)		8.43	8.36	9.22	9.05	20/1	8.29	13/4
	Index-Linked								
11	Inflation rate 5%	Up to 5yrs	2.28	2.30	3.97	2.78	13/1	1.82	12/2
12	Inflation rate 5%	Over 5 yrs	3.46	3.43	4.54	3.89	14/1	3.36	18/3
13	Inflation rate 10%	Up to 5 yrs	1.32	1.47	3.24	2.08	13/1	0.92	12/2
14	Inflation rate 10%	Over 5 yrs	3.27	3.26	4.34	3.72	14/1	3.19	19/3
15	Debs &	5 years	0.00	0.00	10.62	8.97	4 /1	8.41	16/3
16	Loans	15 years	9.39	9.25	10.49	9.94	19/1	9.14	10/3
17		25 years	9.59	9.47	10.38	10.10	19/1	9.38	10/3

Genentech more than quadruples net income

By Alan Friedman in New York

GENENTECH, the California-based biotechnology company that was taken over in 1990 by Roche Holdings of Switzerland, yesterday reported an impressive jump in 1993 first-quarter net income to $14.3m – more than four times the level of a year ago.

The profits, which translate into earnings per share of 12 cents against three cents a year ago, were struck on revenues of $153m, up from $129m in the same quarter of 1992. Higher product sales, royalty income and contract revenues contributed to the 19 per cent increase in turnover.

Mr Kirk Raab, president and chief executive, said that while the results were very good, it *was "even more important"* that the company had filed for approval to market Pulmozyme, a new cystic fibrosis drug, in the US, Europe and Canada.

Pulmozyme is claimed to reduce the rate of respiratory infection and improve lung functioning in patients. Mr Raab noted that as recently as five years ago the drug was merely a "scientific idea".

In line with Genentech's heavy investment in research and development, first-quarter R&D expenses were $74.2m, up from $66m in the first quarter of 1992.

*The R&D spending repre*sented 48 per cent of total revenues in the quarter.

Sales of Protropin, a human growth hormone, increased by 8 per cent to $52.2m. Sales of Activase t-PA, a heart attack drug, were 11 per cent higher *at $49.2m.*

Genentech also said it had begun Phase II trials of a genetically-engineered treatment drug for patients infected with the HIV virus.

On Wall Street, where biotechnology stocks have suffered along with other drugs stocks amid concern about the Clinton administration's plans for healthcare reform, Genentech's share price declined by $¼ yesterday to $33⅜ before *the close.*

Rescue plan for Uni may emerge next week

By Karen Fossli in Oslo

A PLAN to restructure financially Uni Storebrand, *Norway's* biggest insurance group which collapsed last August, is expected soon following a breakthrough in negotiations between creditors and *potential investors.*

A choice is expected to be made next week between two proposals.

The collapse followed Uni's NKr4.7bn ($692m) acquisition of a 28.3 per cent stake in Skandia Forsakring, Sweden's biggest insurer, financed *through short-term* loans. A joint bid for the Swedish group with fellow insurer Hafnia failed, and the value of Uni's stake more than halved when Skandia's share price plunged. Uni's creditors called in their loans and the insurer was unable to pay.

One proposal calls for a foreign investor to take a significant stake in Uni. Last month Norwegian authorities cleared the way for such a solution by expanding the *allowance* for foreign ownership in domestic financial institutions to 33⅓ per cent from 10 per cent.

Sources close to Uni said *yesterday* that a large French insurer has been undertaking a due diligence process over the past few months with a view to *taking a stake in Uni.*

The other solution, due to be presented soon to Uni's administration board by two domestic brokerage firms, calls for a share issue to raise up to NKr2.8bn.

Desperate days in Daf's demise

Kevin Done charts the final months of the Dutch truck maker

AS THE waters closed over Daf at the end of January, the troubled Dutch commercial vehicle maker had finally begun to achieve an operating profit on its core operations.

The signs of a tentative recovery provided cold comfort to the hapless holders of the now worthless shares in old Daf (Daf NV), however, at Thursday's emotional, six-hour *shareholders' meeting.*

Mr Cor Baan, formerly chief executive of old Daf and now chief executive of the reborn Daf Trucks, tried to justify past management actions. "The question everyone is asking themselves ... is, how could Daf get into this state? We are convinced that we did everything possible to guide Daf through the difficult period."

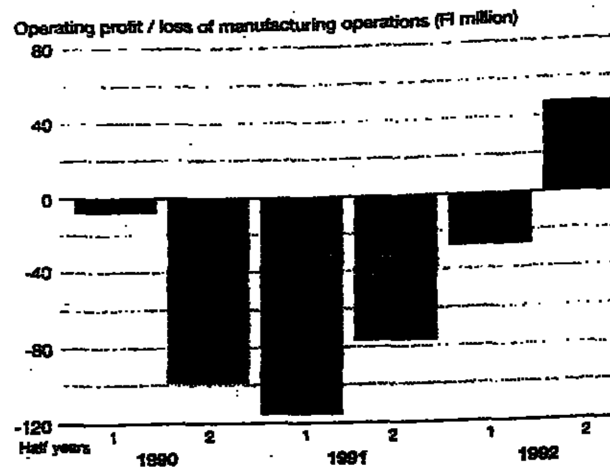
Daf filed for protection from its creditors in The Netherlands on February 2. *Leyland* Daf, its UK subsidiary, went into administrative receivership a day later.

Mr Baan drew back the veil from the intractable problems that confronted the increasingly desperate Daf management, as it battled last year to *stave off collapse. For the first* time, he disclosed:

- the extent of Daf's mismanagement of its finance subsidiary, which by the end of 1991 had landed itself with a debilitating mismatch of long-term loans financed by short-term funding;
- *that Daf had planned to* close its van operations at Birmingham in an attempt to rescue the rest of the business (the UK van operation, now close to a management buy-out, has actually been saved by Daf's financial collapse);
- he *implicitly accepted that* Daf management had been misled by its ambition to match its much bigger competitors, such as Mercedes-Benz and Iveco (Fiat), in continuing to develop and renew its entire truck range without a strategic partner, in spite of Daf's much smaller sales and production volumes;
- he expressed regret that Daf had agreed to take over British Leyland's van operations (Freight Rover), when it also acquired Leyland's truck operations in 1987.

DAF

Operating profit / loss of manufacturing operations (Fl million)



"The whole of 1992 was marked by a difficult and time-consuming process concerning short and long-term financing," said Mr Baan.

He revealed that Daf's banking consortium had already sought collateral for their loans at the start of 1992, as *the company was failing to* meet some of the ratios stipulated in its loan agreements.

"The financial situation throughout the second half of 1992 was such that discussions took place with the banking consortium virtually every month concerning an *extension of the bank facility agree*ment," he said.

Mr Baan disclosed that it was the banks that had finally forced the company to find a deal that would force it to give up its independence. The banking consortium set the condition in its facility agreement in *June 1992 that Daf should* enter "co-operation with a financially strong partner" as quickly as possible, he said.

The prime candidate for a *partner* was Mercedes-Benz of Germany, the world's biggest truck maker. The Dutch group's bankers insisted that Mercedes-Benz should be persuaded to take an equity stake in Daf, however, which the Dutch company's managers found difficult to bear.

Mr Baan said that Daf also held exploratory discussions with Hino of Japan and Cummins, the US engine manufacturer, but "no longer-term structural solution was offered".

By October 1992, with no progress on the Mercedes-Benz alliance, the company had begun to formulate "a new, accelerated and far-reaching plan for reorganisation". The earlier action plan Operations 92/93, implemented only 10 months before, had already become "completely *inadequate", admitted Mr* Baan.

By the end of January this year, Daf planned:

- to cut another 4,000 jobs, or a third of its workforce (the payroll had already fallen from 16,732 in 1989 to 12,289 in 1992);
- to cut the management board from six to four, and to halve the corporate staff to 75;
- to end van production in Birmingham, which employed 2,000, and to pull out of a project with Renault to develop a new generation of vans;
- *to sell the Daf Finance* subsidiary "as soon as possible".

This drastic restructuring was expected to cause an extraordinary charge of Fl 700m ($389m), which would have wiped out the group's entire Fl 458m equity.

Mr Baan revealed that the *deep-rooted problems* of Daf Finance meant that for the whole of 1992 the group was forced to operate without a captive finance company.

The slide in Daf Finance's fortunes meant that financiers were no longer willing to provide long-term funds, so expiring long-term borrowings had to be converted into short-term debt. In 1991, 56 per cent of Daf Finance's Fl 1.3bn portfolio of long-term loans was funded by short-term debt.

As funding to Daf Finance dried up, the group's liquidity problems intensified. Mr Baan *admitted that in late-1991 and* early-1992, Daf "was already considering stopping the financing activities entirely, but it was not deemed advisable to signal this to the market".

Daf could wait no longer. Mr Baan said that sales financing was substantially reduced from mid-1992 and "finally completely stopped". Daf Finance made a loss of Fl 130m last year, including a *Fl 95m charge to facilitate its disposal.*

Daf Finance's balance sheet had mushroomed from Fl 849m in 1986 to Fl 2.66bn in 1991. Mr Baan insisted, however, that "conclusions suggesting that Daf bought market shares through the finance company and that the company attracted customers who *by* definition can be regarded as being in the category of doubtful debtors are absolutely incorrect."

DAF PRODUCTION

	1989	1990	1991	1992	% change 92 v 89
Daf Eindhoven (medium/heavy trucks)	18,432	17,207	14,468	13,775	-25.3
Daf Leyland (light trucks)	16,310	12,786	11,905	13,846	-15.1
SUB-TOTAL	34,742	29,993	26,373	27,621	-20.5
Daf Birmingham (vans)	23,616	24,575	22,274	20,099	-14.9
TOTAL	58,358	54,568	48,647	47,720	-18.2

Source: Daf

Gambro rights issue aims to fund expansion

By Christopher Brown-Humes in Stockholm

GAMBRO, the Swedish medical equipment maker, has announced plans for a SKr424m ($57m) rights issue to strengthen its capital base and fund further expansion.

The company is to issue 1.84m new shares at SKr230 a share, which is 33 per cent below the current stock mar*ket level of SKr345. The move* will boost its share capital by SKr36m from SKr547m.

Mr Jan Gustavsson, chief financial officer, said the group had no specific acquisition target in mind, but was looking to ensure it had adequate strength to continue the *expansion that has seen it buy* a number of companies in the US and Europe over the last five years.

The group's current equity-assets ratio is just above 30 per cent.

For 1992, Gambro disclosed a 27 per cent increase in prof*its to SKr753m and raised its* dividend 20 per cent to SKr4.50 per share.

The company's two largest shareholders in terms of voting power – Cardo, which holds 58.4 per cent of Gambro's votes, and the Crafoord Foundation, which has 11.3 per cent *– have both said they* would fully take up their preferential rights under the issue.

The company's A-shares, which have 10 times the voting power of the B-shares, are being offered on a one-for-five basis, and the B-shares at a one-for-15 ratio.

First Chicago lifts profits to $179m

By Alan Friedman

FIRST CHICAGO, the mid-western US bank with $48.5bn of assets, yesterday unveiled first-quarter 1993 net profit of $179.1m ($1.97 per share), up significantly from the $86.8m ($1.08) earned a year ago.

The first-quarter comparison is based on stripping out an extraordinary accounting gain a year ago that resulted from the valuation of venture capital investment securities.

Mr Richard Thomas, chairman, said core earnings were improving and noted that the burden of bad debts was decreasing as revenues increased.

First Chicago also said it had entered an agreement with GE Capital during the quarter, under which it would sell up to $1bn of real estate loans for about $500m.

Non-performing assets declined by 9 per cent to $377m during the first three months of 1993, while bad debt provisions were 44 per cent lower year-on-year at $65m.

Net write-offs were $74m, of which commercial write-offs accounted for $46m and consumer write-offs $28m.

Non-interest income rose by 29 per cent to $490.5m, while net interest income was 3 per cent higher at $305m.

First Chicago strengthened its capital position by issuing $200m of convertible preferred stock.

The bank's Tier One risk-adjusted capital ratio – the ratio of capital to assets used by US regulators – stood at a healthy 7.7 per cent as at March 31.

On Wall Street, First Chicago's share price declined by $⅛ to $43⅝ before the close.

Pirelli set to raise L110bn

PIRELLI & Co, the holding company that controls the Italian tyre and cables group, yesterday said it planned a capital increase of L110bn ($71m), Reuter reports from Milan.

The group will offer one *ordinary share for every four* ordinary or savings shares. The price for each new share would be L2,000, which compares with an average price on the Milan bourse of L3,838 per share in the first quarter of this year. The shares closed yesterday at L3,979.

The rights issue is subject to shareholder approval.

Pirelli & Co also reported a preliminary loss of L125.6bn in 1992, against a L16.1bn profit in 1991. Consolidated results, together with those of Pirelli SpA, will be announced on May 14.

Northwest offers to buy USAir London route

By Nikki Tait in New York

NORTHWEST Airlines, the fourth-largest US carrier which is integrating operations with KLM Royal Dutch Airlines, is offering to buy USAir's Baltimore-London route for $5m. Northwest said that it would *then seek government* approval to switch the route to Detroit-London.

The US carrier has long fought to obtain a route between London and Detroit, where it has a large hub. However, the bilateral aviation agreement between the US and *the UK permits only one non-*stop authority between London and Detroit, which is held by Delta Air Lines.

- A US bankruptcy court judge has approved the reorganisation plan put forward by Continental Airlines, meaning that the fifth-largest US carrier *is poised to emerge from bank*ruptcy. As part of Continental's re-emergence, Air Canada and a Texan investment partnership are investing in the US carrier, in return for minority stakes. Continental went into bankruptcy – for the second time in its history – in 1990.

Dutch group to resume dividend payments

By Ronald van de Krol in Amsterdam

INTERNATIO-MULLER, the Dutch trading and technical installation group, is to resume dividend payments for the first time since 1989 after swinging back into profit in 1992 following substantial losses in 1991.

The company, which has divested 40 companies over the past two years as part of a *strategy of refocusing on its* core businesses, said it posted a net profit of Fl 30.1m ($16.7m) in 1992.

This marks a significant improvement from the losses of Fl 121.3m suffered a year earlier, when charges of Fl 92.4m were incurred for book losses and reorganisation costs. In 1992, charges fell to just Fl 7.2m.

Internatio-Müller said it intended to pay a dividend of Fl 1 a share over 1992 results, compared with its last pay-out of Fl 3.60 per share over 1989 results.

Sales fell by nearly 10 per cent to Fl 2.8bn last year, mainly as a result of divestments and deconsolidations. In *the two years since it began its* divestment drive, Internatio-Müller has sold off businesses which generated a total of Fl 700m in sales.

Operating results, excluding extraordinary charges, swung into a profit of Fl 43m from a loss of Fl 25.2m a year earlier.

WORLD COMMODITIES PRICES

WEEKLY PRICE CHANGES	Latest prices	Change on week	Year ago	High 1993	Low 1993
Gold per troy oz.	$338.85	+1.90	$336.85	$339.75	$326.05
Silver Per troy oz	257.5p	+5.0	229.095p	282.50p	236.00p
Aluminium 99.7% (cash)	$1111.0	-8.0	$1329	$1236.5	$1108
Copper Grade A (cash)	£1240.5	-65.0	£1262.5	£1563.5	£1240.5
Lead(cash)	£276.5	-5.5	£302.5	£309	£266.00
Nickel (cash)	$5875.0	-137.5	$7405	$6340	$5735
Zinc SHG (cash)	$1007.5	+7.5	$1306	$1112	$981.5
Tin (cash)	*$5570.0*	*-57.5*	*$5800*	*$6047.5*	*$5525*
Cocoa Futures (Jul)	£706	+2	£619	£751	£669
Coffee Futures (Jul)	$876	+27	$801	$985	$836
Sugar (LDP Raw)	$259.2	-10.6	$239	$300	$204.5
Barley Futures (Sep)	£106.55	+0.05	£111.95	£110.30	£106.50
Wheat Futures (Jun)	£145.25	*+0.85*	£125.80	£149.45	£138.85
Cotton Outlook A Index	61.35c	+0.35	57.90c	62.35c	54.75c
Wool (64s Super)	355p	-2	448p	403p	355p
Oil (Brent Blend)	$18.67x	-0.04	$18.975	$19.53	$16.65

Per tonne unless otherwise stated. †Unquoted. p-pence/kg. c-cents lb. x-May.

London Markets

SPOT MARKETS		
Crude oil (per barrel FOB)(May)		**+ or -**
Dubai	$16.21-6.25u	-0.14
Brent Blend (dated)	$18.44-8.50	-0.14
Brent Blend (May)	$18.64-8.70	-0.14
W.T.I (1 pm est)	$20.10-0.14u	-0.17
Oil products (NWE prompt delivery per tonne CIF		**+ or -**
Premium Gasoline	$207-210	
Gas Oil	$182-183	
Heavy Fuel Oil	$76-77	
Naphtha	$179-181	+2.5
Petroleum Argus Estimates		
Other		**+ or -**
Gold (per troy oz)‡	$338.85	+0.70
Silver (per troy oz)‡	393.0c	+5.5
Platinum (per troy oz)	$369.50	+1.85
Palladium (per troy oz)	$112.75	-1.50
Copper (US Producer)	*94.0c*	*-0.5*
Lead (US Producer)	33.5c	
Tin (Kuala Lumpur market)	14.23r	-0.08
Tin (New York)	257.5c	-2.5
Zinc (US Prime Western)	62.0c	
Cattle (live weight)†	136.31p	+0.73*
Sheep (live weight)†♠	142.14p	+16.8*
Pigs (live weight)†	87.74p	
London daily sugar (raw)	$259.20	+0.20
London daily sugar (white)	$286.00	+1.50
Tate and Lyle export price	£279.50	+1.50
Barley (English feed)	£145.5u	
Maize (US No. 3 yellow)	£167.0	
Wheat (US Dark Northern)	Unq	
Rubber (May)♥	58.75p	
Rubber (Jun)♥	59.25p	
Rubber (KL RSS No 1 May)	211.5m	-0.5
Coconut oil (Philippines)§	$417.5y	+7.5
Palm Oil (Malaysian)§	$397.5u	
Copra (Philippines)§	$360.0	
Soyabeans (US)	£175.5z	-1.5
Cotton "A" Index	61.35c	-0.05
Wooltops (64s Super)	355p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. y-Jun/Jul u-May. z-Apr/May ♥London physical. §CIF Rotterdam. ‡ Bullion market close. m-Malaysian cents/kg. ♠Sheep prices are now live weight prices * change from a week ago, provisional prices.

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low
May	-	232.00	
White	**Close**	**Previous**	**High/Low**
Aug	281.00	286.70	300.50 288.00
Oct	275.00	272.20	285.50 271.30

Turnover: Raw 0 (1) lots of 50 tonnes.
White 1240 (1424) Paris- White (FFr per tonne): Aug 1603.47 Oct 1526.82

CRUDE OIL – IPE ($/barrel)

	Latest	Previous	High/Low
Jun	18.81	18.91	18.94 18.81
Jul	18.81	18.91	18.93 18.80
Aug	18.89	18.96	18.98 18.89
Sep	18.96	19.04	18.96
Oct	18.99	19.12	18.99
Nov	19.00	19.18	19.02 19.00
Dec	19.05		19.06 19.05
Jan	19.05		19.05
IPE Index	18.82	18.83	

Turnover 11397 (45083)

GAS OIL – IPE ($/tonne)

	Close	Previous	High/Low
May	176.75	176.75	177.00 176.25
Jun	174.25	174.25	174.50 173.75
Jul	174.00	174.50	174.50 173.75
Aug	175.50	176.00	175.75 175.25
Sep	177.50	178.00	177.50 177.25
Oct	180.00	180.75	180.00 179.75
Nov	182.75	183.25	182.75
Dec	184.50	184.75	184.50

Turnover 7073 (11834) lots of 100 tonnes

SPICES

Coffee harvest will keep Indonesian farmers too busy to cut cassia trees for a few weeks, which might lift prices, reports Man-Producten. Cassia vera sticks, spot US$2,300 a tonne, shipment $2,050, cuttings $2,150, korintji b br/cl $1,375; Madagascar and Seychelles unchanged at $1,200-$1,400 spot, $1,060-$1,275 shipment; Vietnam whole $2,600, broken $2,100. Indonesian nutmegs, bwp spot $750, shipment $675; shrivels shipment $925, *abcd shipment $1,100. Pimento – Mexico spot* $1,700, shipment $1,650, Jamaica spot $2,100, shipment $2,140, Guatemala spot $1,900.

COCOA – London FOX (£/tonne)

	Close	Previous	High/Low
May	693	693	697 690
Jul	706	705	709 702
Sep	718	718	722 715
Dec	737	737	740 734
Mar	756	756	757 754
May	770	770	773 768
Sep	797		798

Turnover: 4356 (4873) lots of 10 tonnes
ICCO Indicator prices (SDRs per tonne). Daily price for Apr 15 741.95 (722.23) 10 day average for Apr 16 713.69 (709.56)

COFFEE – London FOX ($/tonne)

	Close	Previous	High/Low
May	896	900	906 893
Jul	876	861	886 875
Sep	872	866	875 868
Nov	881	874	882 878
Jan	890	888	890 884
Mar	898	899	895

Turnover:8063 (6079) lots of 5 tonnes
ICO Indicator prices (US cents per pound) for Apr 15: Comp. daily 51.02 (50.87) 15 day average 51.41 (51.66)

POTATOES – London FOX (£/tonne)

	Close	Previous	High/Low
May	43.0	39.5	42.5 40.0
Apr	96.0	95.0	96.5 94.6
May	110.0		100.0

Turnover 93 (35) lots of 20 tonnes.

SOYAMEAL – London FOX (£/tonne)

	Close	Previous	High/Low
Jun	-	-	

Turnover 0 (0) lots of 20 tonnes.

FREIGHT – London FOX ($10/index point)

	Close	Previous	High/Low
Apr	1514	1500	1516 1510
May	1478	1465	1480 1473
Jun	1371	1370	1371 1370
Jul	1272	1270	1275 1270
Oct	1380		1380 1377
BFI	1488	1478	

Turnover 256 (310)

GRAINS – London FOX (£/tonne)

Wheat	Close	Previous	High/Low
May	144.25	144.15	144.25 144.20
Jun	145.25	145.15	145.25 145.20
Nov	109.40	109.40	109.60 109.40
Jan	112.40	112.40	112.65 112.40
Mar	115.00	115.00	115.20 115.00
May	117.80	117.90	118.20 117.80
Barley	**Close**	**Previous**	**High/Low**
May	140.00	-	140.00

Turnover: Wheat 390 (370). Barley 26 (0).
Turnover lots of 100 Tonnes.

PIGS – London FOX (Cash Settlement) p/kg

	Close	Previous	High/Low
Apr	115.0		116.0
May	115.0		116.0 113.0
Jun	111.0		111.0 110.0
Oct	105.0	105.0	104.5 104.0

Turnover:31 (4) lots of 3,250 kg

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open Interest
Aluminium, 99.7% purity ($ per tonne)						Total daily turnover N/A lots
Cash	1110.5-1.5	1111-2	1110	1110-0.5		
3 months	1133-4	1133.5-4	1133.5/1128	1131.5-2	1128-9	159,530 lots
Copper, Grade A (£ per tonne)						*Total daily turnover N/A lots*
Cash	1240-1	1259.5-61.5	1211	1210.5-1		
3 months	1262-3	1283-5	1259/1231	1233-3.5	1256-7	167,200 lots
Lead (£ per tonne)						Total daily turnover N/A lots
Cash	276-7	273-3.5	272.25	272.25-2.50		
3 months	*285.5-6*	*282-2.5*	*286/282.5*	*282.5-2.75*	286-7	20,431 lots
Nickel ($ per tonne)						Total daily turnover N/A lots
Cash	5870-80	5780-5	5826	5825-6		
3 months	5935-40	5845-50	5935/5840	5895-6	5925-35	45,962 lots
Tin ($ per tonne)						Total daily turnover N/A lots
Cash	5565-75	5595-605		5580-5		
3 months	5625-30	5655-60	5656/5605	5635-40	5605-15	9,323 lots
Zinc, Special High Grade ($ per tonne)						Total daily turnover N/A lots
Cash	1007-8	1010-1	1010.5/1010	1010.5-1		
3 months	1025.5-6	1028.5-9	1031/1020	1029-9.5	1026-6.5	66,792 lots

LME Closing £/$ rate:
SPOT: 1.5260 3 months: 1.5180 6 months: 1.5059 9 months: 1.4975

LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold (troy oz)	$ price	£ equivalent
Close	338.60-339.00	
Opening	337.10-337.40	
Morning fix	*337.00*	*218.401*
Afternoon fix	337.85	221.323
Day's high	338.90-339.30	
Day's low	336.90-337.20	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	2.60	*6 months*	2.41
2 months	2.56	12 months	2.40
3 months	2.51		

Silver fix	p/troy oz	US cts equiv
Spot	251.45	387.00
3 months	255.00	389.75
6 months	258.75	392.90
12 months	266.15	399.55

GOLD COINS

	$ price	£ equivalent
Krugerrand	337.00-340.00	219.00-221.00
Maple leaf	337.30-339.55	-
New Sovereign	80.00-83.00	52.00-54.00

TRADED OPTIONS

Coffee	May	Jul	May	Jul
850	48	52	2	26
900	13	29	17	52
950	2	14	56	88
Cocoa	**May**	**Jul**	**May**	**Jul**
700	5	34	12	28
725	1	24	33	43
750	-	16	57	60
Brent Crude	**Jun**	**Jul**	**Jun**	**Jul**
1850	57	-	18	35
1900	25	41	40	-
1950	10	-	78	-

New York

GOLD 100 troy oz.; $/troy oz.

	Latest	Previous	High/Low	
Apr	338.7	337.2	339.2	338.2
May	337.6	337.6	0	0
Jun	339.9	338.3	340.9	338.7
Aug	340.8	339.6	342.0	340.0
Oct	340.9	340.9	0	0
Dec	343.8	342.2	345.0	343.0
Feb	343.7	343.7	0	0
Apr	345.1	345.1	0	0
Jun	346.5	346.5	0	0

PLATINUM 50 troy oz; $/troy oz.

	Latest	Previous	High/Low	
Apr	376.4	373.1	372.0	372.0
Jul	371.4	368.1	374.0	369.0
Oct	369.9	366.5	*370.5*	*367.5*
Jan	369.2	365.9	368.0	368.0
Apr	368.7	365.4	368.0	368.0

SILVER 5,000 troy oz; cents/troy oz.

	Latest	Previous	High/Low	
Apr	387.2	387.2	0	0
May	392.0	387.8	395.0	387.5
Jun	389.1	389.1	0	0
Jul	394.5	390.4	398.0	390.0
Sep	397.5	393.0	400.0	394.5
Dec	402.0	396.7	403.5	397.0
Jan	397.1	397.1	0	0
Mar	400.6	400.6	0	0
May	408.5	403.1	408.5	408.5
Jul	405.9	405.9	0	0

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Latest	Previous	High/Low	
Apr	83.55	87.10	84.30	83.55
May	84.00	87.40	84.90	83.60
Jun	84.65	87.80	85.20	84.40
Jul	84.90	88.20	85.70	84.20
Aug	85.90	88.60	85.90	85.80
Sep	85.70	89.00	86.56	85.00
Oct	85.75	89.20	86.80	85.75
Nov	86.45	89.60	87.20	86.45
Dec	86.75	90.05	87.65	86.30
Jan	87.50	90.30	87.50	87.40

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
May	20.11	20.22	20.22	20.10
Jun	20.34	20.42	20.43	20.31
Jul	20.48	20.56	20.56	20.46
Aug	20.55	20.63	20.63	20.55
Sep	20.63	20.66	20.66	20.60
Oct	20.69	20.71	20.67	20.64
Nov	20.70	20.72	20.68	20.68
Dec	20.68	20.73	20.71	20.66
Jan	20.69	20.71	20.68	20.67
Feb	20.65	20.69	20.67	20.65

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
May	55.65	55.92	55.95	55.60
Jun	55.65	55.83	55.85	55.55
Jul	55.80	56.01	56.05	55.75
Aug	*56.40*	*56.61*	*56.55*	*56.40*
Sep	57.40	57.59	57.40	57.40
Oct	58.45	58.54	58.45	58.35
Nov	59.30	59.44	59.30	59.30
Dec	60.20	60.30	60.20	60.20
Jan	60.60	60.70	60.60	60.60
Feb	60.30	60.50	0	0

COCOA 10 tonnes;$/tonnes

	Latest	Previous	High/Low	
May	909	930	930	905
Jul	941	960	962	934
Sep	968	981	985	964
Dec	1005	1020	1018	998
Mar	1035	1054	1060	1029
May	1059	1080	1062	1055
Jul	1081	1103	1081	1079
Sep	1105	1125	1105	1105
Dec	1138	1155	1138	1136
Mar	1160	0	0	0

COFFEE "C" 37,500lbs; cents/lbs

	Latest	Previous	High/Low	
May	53.65	54.75	54.65	53.65
Jul	55.40	56.35	56.30	55.35
Sep	57.30	58.25	58.05	57.30
Dec	60.00	60.90	60.65	60.00
Mar	62.50	63.15	63.05	62.50
May	64.50	65.25	64.85	64.50
Jul	66.60	66.75	66.60	66.80
Sep	68.00	68.50	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Latest	Previous	High/Low	
May	10.67	10.41	10.73	10.48
Jul	11.21	11.00	11.26	11.07
Oct	11.06	10.91	11.12	11.00
Mar	10.37	10.29	10.50	10.37
May	10.36	10.28	10.42	10.36
Jul	10.47	10.30	10.47	10.45

COTTON 50,000; cents/lbs

	Latest	Previous	High/Low	
May	62.85	62.64	63.40	62.30
Jul	63.30	63.10	63.95	62.60
Oct	63.40	63.37	63.80	63.20
Dec	62.60	62.55	62.90	62.45
Mar	63.50	63.45	0	0
May	64.20	64.00	64.30	64.30
Jul	64.50	64.50	0	0
Oct	64.00	64.00	0	0

ORANGE JUICE 15,000 lbs; cents/lbs

	Latest	Previous	High/Low	
May	93.20	95.30	94.50	92.80
Jul	96.50	98.60	98.25	96.20
Sep	99.40	101.00	100.50	99.10
Nov	101.50	103.00	102.00	101.10
Jan	103.95	104.95	104.00	103.50
Mar	105.55	106.60	105.55	105.55
May	*106.00*	106.60	106.00	106.00
Jul	105.00	106.60	0	0
Sep	105.00	106.60	0	0

INDICES

REUTERS (*Base:September 18 1931 = 100*)

Apr 16	Apr 15	mnth ago	yr ago
1655.2	1668.2	1757.8	1602.1

DOW JONES (Base: Dec. 31 1974 = 100)

	Apr 15	Apr 14	mnth ago	yr ago
Spot	122.20	122.01	124.21	115.89
Futures	125.01	125.02	130.84	118.75

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Latest	Previous	High/Low	
May	588/4	590/4	592/4	588/0
Jul	591/0	593/6	595/4	591/0
Aug	593/2	596/0	597/2	593/0
Sep	594/2	597/4	598/2	594/2
Nov	598/2	601/6	603/2	598/0
Jan	605/0	608/5	609/6	605/0
Mar	612/2	615/0	618/0	612/0

SOYABEAN OIL 60,000 lbs; cents/lb

	Latest	Previous	High/Low	
May	21.30	21.30	21.49	21.28
Jul	21.55	21.58	21.77	21.53
Aug	21.68	21.67	21.85	21.64
Sep	21.77	21.77	21.95	21.75
Oct	21.86	21.87	22.05	21.85
Dec	22.06	22.11	22.28	22.05
Jan	22.12	22.15	22.34	22.12
Mar	22.30	22.35	22.30	22.28

SOYABEAN MEAL 100 tons; $/ton

	Latest	Previous	High/Low	
May	182.7	183.9	184.3	182.6
Jul	183.9	185.5	185.4	183.9
Aug	184.9	186.1	186.0	184.9
Sep	185.8	187.2	186.9	185.8
Oct	186.3	187.5	187.5	186.2
Dec	188.3	189.5	189.7	188.0
Jan	188.5	190.3	190.0	188.5
Mar	189.5	191.0	191.0	189.5

MAIZE 5,000 bu min; cents/56lb bushel

	Latest	*Previous*	*High/Low*	
May	228/0	231/6	231/6	228/0
Jul	232/2	237/2	237/2	232/2
Sep	238/0	241/4	241/6	238/0
Dec	243/2	247/0	246/6	242/6
Mar	249/2	253/4	253/0	249/0

WHEAT 5,000 bu min; cents/60lb-bushel

	Latest	Previous	High/Low	
May	358/6	355/4	361/0	355/4
Jul	310/6	313/0	313/4	310/4
Sep	313/6	315/4	316/0	313/2
Dec	323/2	324/6	325/2	323/0
Mar	326/0	329/0	329/0	326/0

LIVE CATTLE 40,000 lbs; cents/lbs

	Latest	Previous	High/Low	
Apr	81.025	81.900	81.875	81.000
Jun	75.000	75.825	75.850	74.900
Aug	72.350	72.775	72.800	72.250
Oct	73.600	73.750	73.900	73.400
Dec	73.850	74.000	74.100	73.750
Feb	73.150	73.300	73.750	73.150

LIVE HOGS 40,000 lb; cents/lbs

	Latest	Previous	High/Low	
Apr	46.300	47.075	47.100	46.300
Jun	52.000	53.500	53.500	52.000
Jul	51.050	52.550	52.550	51.050
Aug	48.400	49.525	49.500	48.250
Oct	43.000	43.925	44.000	43.000
Dec	44.325	45.000	44.850	44.325
Feb	44.500	45.050	44.600	44.500

PORK BELLIES 40,000 lbs; cents/lb

	Latest	Previous	High/Low	
May	49.175	51.175	51.175	49.175
Jul	50.100	52.100	52.200	50.100
Aug	47.450	49.450	49.600	47.450
Feb	42.525	44.000	44.150	42.350
Mar	41.400	42.825	42.500	41.400

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Mixed fortunes for the dollar

THE DOLLAR had mixed fortunes in the currency markets yesterday, showing further strength against the D-Mark but weakening once more against the Japanese yen, *writes James Blitz.*

Despite the lack of any fresh currency-related news in the European morning, the dollar rose against the German currency, peaking at about DM1.6170.

The recent sell-off of the US currency has been strong enough to trigger some short covering by dealers in recent days. At the same time, there were growing expectations in the market yesterday that the Bundesbank might cut rates at its council meeting next Thursday, narrowing the differential between short term US and German rates which is capping the dollar's progress.

However, the dollar eased off against the D-Mark at the end of the day, partly as a result of lacklustre US economic indicators. The Michigan university consumer confidence index raised new fears about the pace of economic recovery, falling to 84.0 per cent in April from 85.9 per cent in March. The market had been looking for a small rise.

The US currency later closed in London at DM1.6135 from a previous DM1.6025.

Mr Gerard Lyons, chief economist at DKB International in London, believes that the Bundesbank could ease rates on Thursday. Much will depend on the figures for M3 money supply growth which are due out next week. "If these prove to be on the weak side, the Bundesbank might lean towards easing again," he said.

By contrast, the dollar was very weak against a yen that strengthened across the board.

The main concern in the market was that neither President Bill Clinton of the US nor Mr Kiichi Miyazawa, the Japanese prime minister, would register any concern about the strong yen at their meeting yesterday.

Although the Japanese authorities announced a large fiscal stimulus to the economy this week, Clinton administration officials appeared sufficiently concerned by the Japanese trade surplus to want to see the yen rise further.

There were also signs yesterday that the Japanese are not too perturbed by their currency's progress. The head of research of the ruling LDP party in Japan said that Japanese exporters would not feel any pain from the yen/dollar rate until it reached the Y110 level.

All this helped to boost the yen to a close of Y112.60 against the dollar in London from a previous Y113.20. The Japanese currency also performed very strongly against the D-Mark closing at Y69.75 from a previous Y70.62.

£ IN NEW YORK

Apr.16	Latest	Previous Close
£ Spot	1.5250-1.5260	1.5405 1.5415
1 month	0.36-0.35pm	0.37 0.36pm
3 months	1.07-1.05pm	1.08 1.04pm
12 months	3.77-3.70pm	3.62 3.52pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Apr.16	Previous
8.30 am	80.3	80.8
9.00 am	80.2	80.7
10.00 am	80.2	80.6
11.00 am	80.2	80.7
Noon	80.4	80.7
1.00 pm	80.3	80.7
2.00 pm	80.0	80.7
3.00 pm	80.1	80.6
4.00 pm	80.0	80.8

CURRENCY RATES

Apr 16	Bank ‡ rate %	Special * Drawing Rights	European † Currency Unit
Sterling	-	0.911731	0.789433
US Dollar	3.00	1.40808	1.21336
Canadian $	5.37	1.77857	1.52859
Austrian Sch	7.00	15.8834	13.7148
Belgian Franc	7.00	46.3975	40.1197
Danish Krone	10.00	8.64893	7.48582
D-Mark	7.50	2.25523	1.94926
Dutch Guilder	7.00	2.53324	2.19035
[illegible]	[illegible]	[illegible]	[illegible]

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Apr 16	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Irish Punt	0.809996	0.798735	-1.39	2.01	65
Spanish Peseta	142.150	140.932	-0.86	1.46	15
Dutch Guilder	2.20045	2.19035	-0.46	1.05	15
Belgian Franc	40.2802	40.1197	-0.40	0.99	12
D-Mark	1.95294	1.94926	-0.19	0.78	2
Portuguese Escudo	180.624	180.875	0.14	0.45	-2
Danish Krone	7.44934	7.48582	0.49	0.10	-30
French Franc	6.54988	6.58854	0.59	0.00	-42

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by Financial Times.

POUND SPOT - FORWARD AGAINST THE POUND

Apr 16	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.5225 - 1.5415	1.5260 - 1.5270	0.38-0.36cpm	2.91	1.08-1.06pm	2.82
Canada	1.9175 - 1.9630	1.9205 - 1.9215	0.24-0.16cpm	1.25	0.53-0.37pm	0.94
Netherlands	2.7600 - 2.7760	2.7600 - 2.7700	⅜-⅝cdis	-2.17	1-1¼dis	-1.63
Belgium	50.45 - 50.80	50.70 - 50.80	8-12cdis	-2.36	24-30dis	-2.13
Denmark	9.4430 - 9.4800	9.4475 - 9.4575	3⅞-5oredis	-5.32	12½-14¼dis	-5.66
Ireland	1.0060 - 1.0100	1.0080 - 1.0090	0.20-0.24cdis	-2.62	0.61-0.66dis	-2.55
Germany	2.4575 - 2.4700	2.4600 - 2.4650	⅜-½pfdis	-2.73	1⅛-1⅜dis	-2.03
Portugal	228.00 - 229.05	228.00 - 229.00	236-254cdis	-12.87	590-632dis	-10.7
Spain	177.50 - 178.60	177.50 - 177.80	102-120cdis	-7.50	319-340dis	-7.42
Italy	2348.80 - 2371.90	2353.50 - 2354.50	10-11liredis	-5.35	29-32dis	-5.18
Norway	10.4140 - 10.4880	10.4325 - 10.4425	1⅝-2⅞oredis	-2.59	5⅜-6⅜dis	-2.32
France	8.3050 - 8.3475	8.3175 - 8.3275	2¼-2⅝cdis	-3.51	6⅛-6⅝dis	-3.06
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

[illegible]

CURRENCY MOVEMENTS

[illegible]

OTHER CURRENCIES

[illegible]

EURO-CURRENCY INTEREST RATES

Apr 16	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Can. Dollar	4½ - 4¼	4½ - 4¼	5 - 4⅞	5¼ - 5	5⅜ - 5⅛	[illegible]
Dutch Guilder	8 - 7⅞	8 - 7⅞	7⅝ - 7¼	7½ - 7⅛	7¼ - 7⅛	6⅞ - 6⅝
Swiss Franc	5⅝ - 5⅜	5½ - 5¼	5⅝ - 5¼	5⅛ - 5	4⅞ - 4¾	4⅜ - 4⅛
D-Mark	8⅛ - 8⅛	8⅛ - 8⅛	8¼ - 8⅛	7½ - 7⅞	7⅛ - 7⅛	6⅞ - 6¾
French Franc	8¾ - 8½	9¾ - 9½	9½ - 9¼	9 - 8¾	8¾ - 8½	8½ - 7⅞
Italian Lira	12½ - 10½	11½ - 11	11½ - 11	11½ - 11	11½ - 11	11½ - 11
Belgian Franc	8⅞ - 8⅜	8¾ - 8½	8¾ - 8⅝	8⅝ - 8⅜	7⅞ - 7¾	7⅞ - 7⅞
Yen	3¼ - 3⅛	3¼ - 3⅛	3¼ - 3⅛	3¼ - 3⅛	3⅜ - 3⅛	3⅜ - 3⅜
Danish Krone	12¾ - 11¾	11½ - 10½	11¼ - 10¾	11¼ - 10¾	11¼ - 10¾	10 - 9½
Asian $Sing	3 - 2	3 - 2	2¾ - 1¾	2¾ - 1¾	2¾ - 1¾	3¼ - 2¼
Spanish Peseta	13½ - 13	13⅝ - 13⅛	13⅞ - 13⅜	13⅞ - 13⅞	13⅛ - 12⅞	12¾ - 12½
Portuguese Esc.	19 - 18½	19½ - 18½	19 - 18½	17 - 16	16 - 15¼	15 - 14½

Long term Eurodollars: two years 4⅛-3⅞ per cent; three years 5⅛-4⅞ per cent; four years 5⅛-4⅞ per cent; five years 5⅞-5⅞ per cent nominal. Short term rates are call for US Dollar and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Apr.16	£	$	DM	Yen	F Fr.	S Fr.	N Fl.	Lira	C$	B Fr.	Pta	Ecu
£	1	1.527	2.463	171.8	8.323	2.253	2.765	2354	1.921	50.75	177.7	1.262
$	0.655	1	1.613	112.5	5.451	1.475	1.811	1542	1.258	33.24	116.4	0.826
DM	0.406	0.620	1	69.75	3.379	0.915	1.123	955.7	0.780	20.60	72.15	0.512
YEN	5.821	8.888	14.34	1000.	48.45	13.11	16.09	13702	11.18	295.4	1034	7.348
F Fr.	1.201	1.835	2.958	206.4	10.	2.707	3.322	2828	2.308	60.98	213.5	1.516
S Fr.	0.444	0.678	1.093	76.25	3.694	1	1.227	1045	0.853	22.53	78.87	0.560
N Fl.	0.362	0.552	0.891	62.13	3.010	0.815	1	851.4	0.695	18.35	64.27	0.456
Lira	0.425	0.649	1.046	72.98	3.536	0.957	1.175	1000.	0.816	21.56	75.49	0.536
C $	0.521	0.795	1.282	89.43	4.333	1.173	1.439	1225	1	26.42	92.50	0.657
B Fr.	1.970	3.009	4.853	338.5	16.40	4.439	5.446	4638	3.785	100.	350.1	2.487
Pta	0.563	0.859	1.386	96.68	4.684	1.268	1.556	1325	1.081	28.56	100.	0.710
Ecu	0.792	1.210	1.952	136.1	6.595	1.785	2.191	1865	1.522	40.21	140.8	1.

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100: Peseta per 100.

FORWARD RATES AGAINST STERLING

	Spot	1 mth	3 mths	6 mths	12 mths
US Dollar	1.5265	1.5228	1.5158	1.5059	1.4878
D-mark	2.4625	2.4671	2.4741	2.4804	2.4788
French Fr.	8.3225	8.3252	8.3288	8.3330	8.3077
Swiss Fr.	2.2525	2.2512	2.2477	2.2395	2.2174
Yen	171.75	171.34	170.55	169.40	167.21

FINANCIAL FUTURES AND OPTIONS

[illegible]

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls May	Calls June	Calls September	Puts May	Puts June	Puts September
115	-	3.07	-	-	0.05	-
116	-	2.10	-	0.02	0.12	0.50
117	-	1.31	-	0.07	0.26	0.75
118	0.40	0.66	1.30	0.30	0.60	1.17
119	0.07	0.26	0.64	-	-	-
Open Int	21,775	161,826	111,493	10,584	134,705	63,727

Estimated volume 32,740 † Total Open Interest 527,967
† All Yield & Open Interest figures are for the previous day.

MONEY MARKETS

UK futures tumble

THERE was a sharp change of mood in both the sterling cash and futures markets yesterday, with dealers taking the view that UK base rates could soon be on an upward trend, *writes James Blitz.*

On the futures market, there was a substantial sell-off in the June and Septmber sterling contracts following the announcement that the headline figure for inflation in March had risen to 1.9 per cent from 1.8 per cent year-on-year.

UK clearing bank base lending rate 6 per cent from January 26, 1993

The unexpected rise in the data raised speculation that the UK authorities might have to tighten monetary policy if inflation were to remain within the government's target range.

The data also came at the end of a week which has seen a raft of indicators suggesting that the UK economy is in the midst of an unswing, and that another cut in base rates might not be needed.

Compounding the change of mood was the Bank of England's announcement yesterday that it will set another gilt auction on April 28. This may mean there is a drain on liquidity at the end of the month, bringing tighter money market conditions and rates.

All these factors created a strong view in the market that 6 per cent may mark the bottom for UK rates in this cycle. Last night, there was a clear upward sloping yield curve in both the cash and futures markets for the first time this year.

The strongest reaction to the RPI data came in the futures market, where the June contract fell 14 basis points to bottom out at 93.92. It later closed at 93.94, pricing 3-month money in June at 6.04 per cent.

There was an even stronger reaction in the March 1994 contract, which lost 44 basis points on the day to close at 93.60.

Cash rates firmed sharply in the wake of the figures with 3-month money closing up more than $\frac{1}{16}$ per cent at $6\frac{1}{16}$ per cent. One year money moved up even more sharply at $6\frac{3}{16}$ per cent from a previous 5⅞ per cent.

Despite the stark change of mood, some dealers expressed the view that the market had heavily over-reacted.

One dealer pointed to more UK economic data due out next week, including unemployment figures and retail sales figures for March. "The market will retrace this latest move if these point out any sluggishness in the UK economy," he said.

FT LONDON INTERBANK FIXING

(11.00 a.m Apr.16) 3 months US dollars		6 months US Dollars	
bid 3⅛	offer 3¼	bid 3⅜	offer 3½

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

[illegible]

LONDON MONEY RATES

[illegible]

BANK RETURN

BANKING DEPARTMENT	Wednesday April 14, 1993		Increase or decrease for week
LIABILITIES	£		£
Capital	14,553,000		
Public Deposits	160,619,228	-	3,643,775
Bankers Deposits	1,558,981,433	-	187,584,363
Reserve and other Accounts	4,482,750,370	+	6,919,656
	6,216,904,031	-	184,508,482
ASSETS			
Government Securities	1,242,827,132	-	76,995,000
Advance and other Accounts	4,516,328,668	-	107,001,007
Premises Equipment & other Secs	452,709,201	-	1,988,318
Notes	4,824,754	+	1,493,788
Coin	214,276	-	37,943
	6,216,904,031	-	184,508,482
ISSUE DEPARTMENT			
LIABILITIES			
Notes in circulation	17,035,175,246	+	8,506,214
Notes in Banking Department	4,824,724	+	1,493,788
	17,040,000,000	+	10,000,000
ASSETS			
Government Debt	11,015,000		
Other Government Securities	7,867,993,878	+	1,772,306,899
Other Securities	9,160,991,022	-	1,762,306,899
	17,040,000,000	+	10,000,000

BASE LENDING RATES

	%		%		%
Adam & Company	6	Cyprus Popular Bank	6	Mount Banking	6
Allied Trust Bank	6	Duncan Lawrie	6	NatWestminster	6
AIB Bank	6	Equatorial Bank plc	6	Nykredit Mortgage Bnk	6.5
●Henry Ansbacher	6	Exeter Bank Limited	7	●Rea Brothers	6
B & C Merchant Bank	13	Financial & Gen Bank	7	Roxburghe Bank Ltd	6
Bank of Baroda	6	●Robert Fleming & Co	6	Royal Bk of Scotland	6
Banco Bilbao Vizcaya	6	Girobank	6	●Smith & Williamson Secs	6
Bank of Cyprus	6	●Guinness Mahon	6	Standard Chartered	6
Bank of Ireland	6	Habib Bank AG Zurich	6	TSB	6
Bank of India	6	●Hambros Bank	6	Unibank plc	6
Bank of Scotland	6	Heritable & Gen Inv Bk.	6	●United Bk of Kuwait	6
Barclays Bank	6	●Hill Samuel	6	Unity Trust Bank Plc	6
Brit Bk of Mid East	6	C. Hoare & Co	6	Western Trust	6
●Brown Shipley	6	Hongkong & Shanghai	6	Whiteaway Laidlaw	6
CL Bank Nederland	6	Julian Hodge Bank	6	Yorkshire Bank	6
Citibank NA	6	●Leopold Joseph & Sons	6		
City Merchants Bank	6	Lloyds Bank	6		
Clydesdale Bank	6	Meghraj Bank Ltd	6		
The Co-operative Bank	6	McDonnell Douglas Bk.	6		
Coutts & Co	6	Midland Bank	6		
Credit Lyonnais	6				

● Members of British Merchant Banking & Securities Houses Association

MONEY MARKET FUNDS

Money Market Trust Funds

[illegible]

Money Market Bank Accounts

[illegible]

NOTES – Gross: Contractual rate of interest payable, not taking account of the deduction of basic rate income tax. Net: Rate of interest payable after allowing for deduction of basic rate income tax. Gross CAR: Gross rate annualised to take account of compounding of interest paid other than once a year. 'Compounded Annual Rate' Int Cr: Frequency at which interest is credited to the account.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 4.30 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of *execution but in ascending order* which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest *recorded* business in the three previous days is given with the *relevant* date.

Rule 535(2) stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

‡ Bargains at special prices. ɸ Bargains done the previous day.

British Funds, etc
No. of bargains included 2640

Treasury 13¾% Stk 2000/03 - £132¾ 133⅞
Exchequer 10½% Stk 2005 - £119⅝ (14Ap93)
Guaranteed Export Finance Corp PLC 11¾% Gtd Nts 1994 (Br - £103¼ (14Ap93)
12¼% Gtd Ln Stk 2002(Reg) - £129¾

Corporation and County Stocks No. of bargains included nil

London County 2½% Cons Stk 1920(or after) - £27¾ (8Ap93)

Nordic Investment Bank 7.75% Nts 1998 (Br £ Var) - £102¾ (8Ap93)
Norsk Hydro AS 9¾% Nts 2003 (Br £1000&10000) - £104¼ (14Ap93)
9⅝% Nts 1993(Br£1000&10000) - £100ɸ
Pacific Electric Wire&Cable Co Ld 3¾% Bds 2001(Br$10000) - $115½
PowerGen PLC 8¼% Bds 2003 (Br £10000&100000) - £103
Prudential Finance BV 9¾% Gtd Bds 2007 (Br£5000&100000) - £103⅞ 4 (13Ap93)

USM Appendix
No. of bargains included 615

Apollo Metals PLC 8p(Net) Cum Cnv Red Prf 10p - 140 (8Ap93)
Banner Homes Group PLC Ord 10p - 32 (13Ap93)
Cooper Clarke Group PLC Ord 50p - 42 3 5 (14Ap93)
FBD Holdings PLC Ord Ir£0.60 - I£1.6 (8Ap93)
Gibbs Mew PLC Ord 25p - 210 3 3 5 20 30
Midland & Scottish Resources PLC Ord 10p - 19 9 20 1 1
Needler Group Ld Com Shs of NPV - 45¾
Savage Group PLC 6.5% (Net) Cum Red Cnv Prf £1 - 78 9
Ticketing Group PLC 7.75% Cnv Cum Red Prf £1 - £0.1 (13Ap93)

Rule 535(2)
No. of bargains included 40

AIB Fund Managers (CI) $ Managed Currency fund - £22.3990ɸ
Ackrill Carr PLC Ord 5p - £0.1 (14Ap93)
Active Investments PLC Ord 15p - £13½ 6¾
All England Lawn Tennis Ground Ld Deb 91/95 £2000 - £14400 (13Ap93)
Anglo American Agriculture PLC Ord 25p - £0.18 (13Ap93)
Biocure Holdings PLC Ord 1p - £0.825‡
Brancote Holdings PLC Ord 5p - £35
Celltech Ld Ord £1 - £4.15 (8Ap93)
Elliot (B.) PLC 7.5% (Net) Cnv Cum Red Prf £1 - £0.6 (8Ap93)
Strategic Inv Fd - £1.284
Int Equity Gwth Inc - £2.548 (7Ap93) 2.397 (13Ap93)
Le Riche's Stores Ld Ord £1 - £2.6 (8Ap93)
Liverpool FC & Athletic Grounds PLC Ord £5 - £540 565
Mercury Fund Man.(Isle of Man) Mercury Intl. Bond Fund - £0.6421 0.6439
Merrett Hldgs PLC Ord 10p - £0¼
Mosaic International Group PLC Ord 1p - £0.4 (13Ap93)
National Parking Corp Ld Ord 10p - £3.3 3 33 3.34 3.38
Newbury Racecourse PLC Ord £100 - £2100 (8Ap93)

Pan Andean Resources PLC Ord 4p - £0.055
Perpetual(Jersey) Offshore Asian Smaller Markets - £0.552902 0.654394 0.654955 (14Ap93)
Offshore Emerging Co's - $4.5807 (8Ap93)
Offshore Far Eastern Gwth Fd - $3.2275
Offshore Japan Growth Fd - £0.895355 (13Ap93)
Quay Properties Ld £1 - £1.05 1.1 (14Ap93)
Rangers Football Club PLC Ord 10p - £0.8
Schroder Management Services(Guernsey) Schroder European Bond - $11.1405 (14Ap93)
Scotia Holdings PLC Ord 10p - £7.8
Sefton Hotel Ld Ord £1 - £4.8 (13Ap93)
Select Industries PLC Ord 2½p - £0.05 0.0525 (13Ap93)
New Ord 7½p(2½p Regd) - £0.015 (13Ap93)
Shepherd Neame Ld "A" Ord £1 - £25.05 (14Ap93)
Southern Newspapers PLC Ord £1 - £2.8 2.88 2.91 2.91
Thwaites(Daniel) & Co PLC Ord 25p - £1.82
Tiaghur PLC Ord 5p - £0.14
Tyndall International(Jersey) Gilt Fund - £1.233 (8Ap93)
Veterinary Drug Co PLC Ord £1 - £2.15
Wadworth & Co 9¾% Cum Prf £1 - £1.85 (13Ap93)
10% Cum Prf £1 - £1.1 (13Ap93)
Weetabix Ld "A" Non V Ord 25p - £12⅝ 12.65
Yates Bros Wine Lodges PLC Ord 25p - £7.4 (8Ap93)

RULE 535 (4) (a)

Bargains marked in securities where principle market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

Futuris Corp 50.0
Hong Power Co $29.8
Keystone International $24.75ɸ (8.4)
Kulim Malaysia Ord 31.0 (14.4)
Kulim Malaysia Ord (Malay Ord) 27.8 (14.4)
Malaysian Plantations 25.0
Oil Search 32.0 (14.4)
Playmates Hldgs HK$2.737488 (8.4)
Regal Hotels Hldgs 3 (8.4)
Robinson & Co S$7.67ɸ (13.4)
Sasol Ltd R25.0
Sherritt Gordon Mines 300 (8.4)
Terrex Resources 7ɸ (8.4)
United Overseas Land S$1.54

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FT-SE ACTUARIES INDICES

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LONDON STOCK EXCHANGE

Weaker gilts unsettle equity market

By Steve Thompson

THE improvement in market sentiment for much of the week all but disappeared yesterday as dealers reacted strongly to extremely disappointing inflation numbers as the long three-week Easter account drew to a close.

Already shortened by the Easter Monday bank holiday the week's trading was severely disrupted by the second national railway strike in two weeks. Many trading desks were badly affected by the industrial action but its was the inflation statistics which took the heart out of the day's trading. "The market's appetite went out of the window with the inflation figures," commented the head of trading at one of the leading UK securities houses.

Account Dealing Dates		
*First Dealings:		
Mar 29	Apr 19	May 10
Option Declarations:		
Apr 15	May 6	May 20
Last Dealings:		
Apr 16	May 7	May 21
Account Day:		
Apr 26	May 17	Jun 1

*New time dealings may take place from 8.30am two business days earlier.

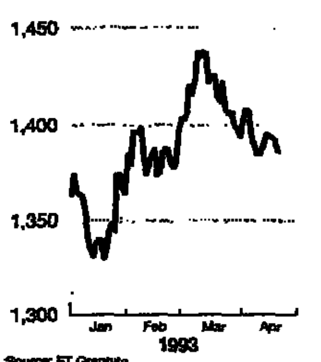
Equities took their cue from the gilts market where early minor falls rapidly turned into substantial losses after the inflation details were published.

The Footsie 100-index ended a thoroughly disappointing session 15.3 lower at 2,824.4, leaving the index only 2.4 higher on a week which provided strong evidence in the form of increasing business confidence, rises in house prices and an upturn in car sales, that the recovery in the UK economy is well and truly underway

The session began quietly with dealers opening share prices marginally below their overnight closing levels after a less than convincing performance by Wall Street, which rallied after some hefty early falls. And London dealers were unhappy at the steep decline on the Tokyo market.

Opening some 1.7 lower the Footsie 100 did little more than mark time until the release of news that the underlying rate of inflation had risen to 3.5 per cent shook the market. It triggered a sharp sell off in gilts where the longer dated stocks, down around an eighth of a point at the opening, quickly went into reverse and eventually ended a busy session with losses extending to just over a full point. Index-linked issues settled with falls of around ⅛.

FT-A All-Share Index



Source: FT Graphite

The inflation numbers doused lingering hopes that UK interest rates could move lower in the short-term. Sterling fell heavily against the dollar although it was only marginally lower against the D-Mark.

The Footsie future immediately fell sharply as the inflation implications filtered into The market, taking the cash market with it. At its worst the Footsie 100 was down 22.6 at 2,817.1 with traders noting the appearance of some large lines of stock.

A modestly firm opening by Wall Street helped steady the London market which managed to recoup some of its earlier losses. Turnover was a creditable 586.7m shares.

TRADING VOLUME IN MAJOR STOCKS

Stock	Volume 000's	Closing Price	Day's change
[illegible]			
Boots	4,300	471	-1
Bowater	865	492	
Brit. Aerospace	584	274	-1
British Airways	2,500	285	+1
British Gas	3,900	307½	-3
British Land	98	259	+1
British Steel	16,000	94¾	+4
Bunzl	848	127	
Burmah Castrol	154	734	-1
Burton	1,700	78½	-1½
Cable & Wire.	2,600	729	-13
Cadbury Schweppes	618	479	-6
Calor Group	107	255	
Carlton Comms.	794	743	-12
Coats Viyella	2,300	248	+3
Comm. Union	771	622	+2
Cookson	581	303	-3
[illegible]			
IMI	582	277	-3
ICI	1,600	1160	-11
Inchcape	1,600	604	-2
Johnson Matthey	60	438	-2
Kingfisher	656	586	-2
Kwik Save	546	737	-10
Ladbroke	5,800	170½	+1½
Land Securities	418	594	-2
Laporte	166	625	-5
Legal & General	649	448	-3
Lloyds Abbey	388	404	-8
Lloyds Bank	1,800	526	-5
LASMO	3,300	142½	-5½
London Elect.	467	470	-1
[illegible]			
Reuters	1,200	1277	-25
Rolls Royce	1,200	123	
Rothmans	174	624	+1
Ryl Bk Scotland	1,100	254	
Royal Insurance	1,000	305	-5
Saatchi	416	171	+1
Sainsbury	2,000	472	-5
Scottish & New.	673	457	
Scot. Hydro-Elect.	687	335	-7
Scottish Power	3,000	315½	-6½
Sears	5,300	101½	+1
Sedgwick	538	153	-3
Seeboard	145	492	-11
Severn Trent Water	1,000	491	-11
[illegible]			
United Biscuits	1,100	389	+5
Utd. Newspapers	309	573	+3
Vodafone	3,400	379	-3
Warburg (SG)	275	674	+7
Wellcome	1,500	724	-5
Welsh Water	416	587	-9
Wessex Water	135	610	-8
Whitbread 'A'	693	457	-2
Williams Hldgs.	2,000	322	-7
Wills Corroon	1,300	192	-1
Wimpey	1,100	156	+2
Wolseley	120	587	-3
Yorkshire Elect.	694	517	-7
Yorkshire Water	130	546	-10

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down.

Challenge fear hits telecoms

NEWS that AT&T, America's biggest telephone operator, intends to attack the UK market focused attention on UK telecom operators BT and Cable & Wireless yesterday and sent both stocks lower in what some analysts considered a knee-jerk reaction.

Many telecoms specialists were surprised to see BT shares slip 9¼ to 411p on heavier than average turnover of 11m. They argued that as BT had already applied to operate in the US it should have been no surprise that its US counterpart would make a quid pro quo move. They added that AT&T's proposals posed a far greater threat to Cable's telecom subsidiary Mercury, which was targeting the international market.

Cable shares fell 13 to 729p with 2.6m traded. The shares have performed very well on the back of a strong Hong Kong market and several UK buy recommendations. However, both stocks were further hit yesterday by the shift away from recession defensive stocks to issues geared for recovery.

Steel hardens

The continuing recovery of cyclical stocks was illustrated by the further advance in British Steel. The shares gained another 4 to 94¾p, having touched 96p earlier in the day, as volume rose to a hefty 16m shares.

This week's strong performance of British Steel began on Thursday after S.G. Warburg upgraded profit recommendations, and James Capel reiterated a buy recommendation. Both said the recent price increases are likely to hold and will thus prompt a recovery in the group's figures.

Other brokers remain cautious but several are expected to turn positive in the next week or so.

Lasmo flounders

Oil exploration and production group Lasmo ended a difficult week under renewed pressure. The shares closed 5½ lower at 142½p, having equalled the 1993 low of 141½p at one stage. Dealers said that the sellers appeared on the scene after S.G. Warburg Securities lowered its net asset value for the group, along with a general reappraisal on the exploration production sub-sector.

Lasmo was the worst performer in the Footsie 100 index last month, falling by more than 14 per cent after the troubled group slashed the final dividend.

Dealers said the continued selling also reflected lingering worries that Lasmo might lose its Footsie 100 status when the FT-SE Steering Committee meets on June 9.

Reuters suffers

The impact of recent currency shifts, arbitrage activity and analysts' caution conspired to push down Reuters Holdings. The shares, already under pressure, fell a further 25 to 1277p. At that level analysts said the stock was well supported.

The shares are ex-dividend in the UK but not in the US and the disparity between prices has prompted arbitraging which has forced the price down.

Also, UBS discussed the company at the morning meeting, particularly reports that a broker had switched from Reuters new electronic trading system Dealing 2000-2.

News that Hanson was returning to the acquisition trail added encouraged further buying of the stock which added 1¼ at 233¾p on heavy turnover of 8.9m.

RTZ, the world's largest mining company, fell 10¼ to 647½p after copper prices hit a five and a half year low.

SmithKline Beecham lifted 6 to 419p in the 'A's as a result of the announcement late on Thursday that the company had settled its patent dispute with Glaxo over the anti-nausea treatment ondansetron. The removal of uncertainty was broadly positive for both companies but was unable to counter the persistent selling pressure on Glaxo which ended the day a net 8 lower at 554p.

Transport and distribution group NFC shook off recent weakness after S.G. Warburg turned buyers of the stock.

Pointing out that NFC had underperformed the market by 15 per cent over the last quarter, Mr Andrew Fitchie at the securities house said NFC remained attractive on fundamentals with good US and UK exposure. The shares rose 6 to 247p on turnover of 2.8m.

Shell Transport edged up 2¼ to 583½p with heavy turnover of 5.8m shares said to have been stimulated by sizeable switching from Royal Dutch.

An early attempt at a rally in the regional electricity stocks (recs) and the power generators prompted minor gains in the sectors but these were mostly eroded as the wider market tumbled after the inflation numbers. One securities houses was said to have been especially positive on the generators, citing expectations of above average dividend growth.

All the utilities sectors have come under pressure this week as some institutions have switched from the safer high-yielding areas of the market into recovery stocks.

PowerGen was the most resilient, closing 3 up at 347½p. National Power edged up 1½ to 341½p.

Water stocks, which outperformed the market by 8 per cent during the first quarter, remained out of favour. The Footsie stocks were given another mauling, with Thames 13 off at 513p, North West 11 lower at 491p, Anglian down 10 at 505p and Severn Trent down 11 at 491p.

S.G. Warburg continued to tell clients to reduce weightings. It says the sector will underperform ahead of next summer's expected outcome of the regulatory review. The water companies are expected to reveal capital expenditure plans for the next five years later this month.

Irish-based fresh produce and foods group Fyffes jumped 23 to 123p, after it said it had received an approach which might lead to a bid. Geest moved 4 ahead to 448p, in sympathy.

Bid speculation was once again heard in United Biscuits sending the shares 5 up at 389p.

Engineering and defence group Vickers hardened a penny to 132p as Robert Fleming Securities yesterday reiterated a buy recommendation on the stock predicting a recovery for Vickers on the back of a better performance from its Rolls Royce cars subsidiary begining in 1994.

Investors appreciated the enhanced scrip alternative to the final dividend offered by BICC and the shares jumped 13 to 358p.

In the rest of the transport sector, P&O fell 15 to 547p, on suggestions that James Capel had cut profit expectations.

MARKET REPORTERS:
Peter John.
Joel Kibazo,
Steve Thompson.

■ Other market statistics, Page 9.

NEW HIGHS AND LOWS FOR 1993

NEW HIGHS (72).
AMERICANS (1) Gen. Elect., BANKS (1) Anglo Irish, BLDG MATLS (3) Epwin, Haywood Williams, RMC, BUSINESS SERVS (1) Capita, CONGLOMERATES (1) Bodycote, CONTG & CONSTRCN (8) Bryant, Hewden-Stuart, McAlpine, Mowlem, Persimmon, Taylor Woodrow, Wilson Bowden, Wson (Connolly), ELECTRICALS (1) Motorola, ELECTRONICS (3) Eurotherm, Kalamazoo, Kewill, ENG GEN (2) VSEL, Vosper, FOOD MANUF (2) Avonmore, Barr, FOOD RETAILING (1) Fyffes, HEALTH & HSEHOLD (1) IWP, HOTELS & LEIS (1) Ryan, INSCE LIFE (1) Transatlantic, INV TRUSTS (13) Abtrust New Thai, Do Wts., Dartmoor 6¼pc Deb. '05, First Ireland Wts., Flmg. Far Eastern, JF Fldg. Japan, Moorgate Smllr. Wts., Overseas Inv., Do Wts., St David's Cap., Turkey Tst., Do Wts., Value & Inc., MEDIA (3) Aegis 9¼pc Pf., Headline, Watmoughs, MERCHANT BANKS (2) Warburg, Do 8pc Pf., MTL & MTL FORMING (1) Br. Steel, MISC (3) BLP, Headlam, Waterford Wedgwood, MOTORS (2) Bletchley, Jessups, OTHER FINCL (9) Edinburgh Fd. Mngrs., Gerrard & Natl., Lon. Forfaiting, Oceana, Perpetual, Tyndall Aust. Options, OTHER INDLS (1) Norcros, PACKG, PAPER & PRINTG (2) Waca, Do 8pc Pf., PROP (9) BDA, Daejan, Eng. & Overseas, Letinvest 11¼pc Deb. '12, Smith (J), STORES (2) Amber Day, Wyevale, TRANSPORT (2) LOF's, Norish, MINES (2) Monarch, Do Cv. '93, Southwest.

NEW LOWS (47).
BRITISH FUNDS (8) Tr. 12¼pc '93, Tr. 13¾pc '93, Tr. 14½pc '94, Ex. 13½pc '94, Tr. 10pc '94, Ex. 12¼pc '94, Tr. 12pc '95, Ex. 13¼pc '96, Tr. 8pc '13, AMERICANS (1) Sun Inc., BREWERS (1) Allied-Lyons, BUSINESS SERVS (2) Brooks Service, Sketchley, CHEMS (2) BOC, Br. Vita, CONGLOMERATES (2) Bibby, Cannon St., ELECTRONICS (1) Indl. Control Servs., ENG GEN (3) Barry Wehmiller, Plasmec, Prospect, FOOD RETAILING (1) Low, HEALTH & HSEHOLD (8) Bespak, Creighton's Naturally, Fisons, Huntingdon, Life Sciences, ML Labs., Smith & Nephew, UniChem, HOTELS & LEIS (2) Chrysalis, IMC, INSCE BROKERS (1) Heath, INSCE LIFE (1) Lloyds Abbey, MEDIA (1) Reuters, MTL & MTL FORMING (1) Garton, MISC (2) Hartstone, Pentland, MOTORS (1) Alexanders, OTHER INDLS (2) Amber Indl., Williams 5¼pc Pf., PACKG, PAPER & PRINTG (1) MR Data Mngemt., PROP (1) Herring Baker, STORES (1) Dixons, TELE NETWORKS (2) Securicor, Do NV, TRANSPORT (1) NFC.

EQUITY FUTURES AND OPTIONS TRADING

THE release of worse than expected inflation figures led to a retreat in stock index futures, writes Joel Kibazo.

The tentative start in trading of the June contract on the FT-SE 100 at 2,853 was the first indication that a poor session lay ahead.

Sporadic buying in the first hour however saw it climb to 2,860 but this soon ran out of steam leaving the contract to drift lower. The release of disappointing inflation figures at 11.30am led to active selling which sent June falling to 2,835.

By 3pm it had fallen to the days low of 2,819. However this proved a spur for bargain hunters and it bounced to finish at 2,832, a fall of 57 on its previous close and at a four-point discount to its estimated fair value premium to cash of around 11. Volume improved to 7,434 lots.

Expiry of the April stock options was the main feature in the traded options which saw total volume of 25,178 lots. Turnover in the FT-SE 100 option was 10,223. United Biscuits was the busiest stock option.

FINANCIAL TIMES EQUITY INDICES

	April 16	April 15	April 14	April 13	April 8	Year ago	* High	* Low
Ordinary share	2202.4	2205.8	2199.2	2196.3	2180.8	2053.0	2239.5	2124.7
Ord. div. yield	4.19	4.18	4.21	4.50	4.52	4.44	4.52	4.18
Earning yld % full	6.32	6.30	6.31	6.31	6.35	6.36	6.35	5.79
P/E ratio net	19.64	19.71	19.67	19.68	19.57	19.81	22.01	19.57
P/E ratio nil	18.34	18.41	18.37	18.36	18.25	18.48	20.30	18.25
Gold Mines	112.0	109.6	111.5	113.5	128.7	113.9	134.5	60.0

*for 1993. Ordinary share index since compilation: high 2239.5 10/3/93 - low 49.4 26/6/40
Gold Mines Index since compilation high: 734.7 15/2/83 - low 43.5 26/10/71
Basis Ordinary share 1/7/35: Gold Mines 12/9/55.

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2204.8	2203.4	2206.6	2206.6	2200.9	2192.9	2195.8	2200.4	2202.8	2208.1	2192.8

Volume	April 16	April 15	April 14	April 13	April 8	Year ago
SEAQ Bargains	32,516	30,362	26,830	28,120	24,185	43,169
Equity Turnover(£m)†	-	1296.3	1414.7	1026.4	1082.6	1560.0
Equity Bargains†	-	32,235	31,169	32,076	28,774	46,524
Shares traded (ml)†	-	547.9	738.3	380.0	426.1	677.1

† Excluding intra-market business and overseas turnover.

London report and latest Share Index
Tel. 0891 123001. Calls charged at 36p/minute cheap rate, 48p at all other times.

FT-A INDICES LEADERS AND LAGGARDS

Percentage changes since December 31 1992 based on Friday April 16 1993

Gold Mines Index	+	75.27	Water	+*	4.97
Merchant Banks	+	27.15	Motors	+	3.75
Metals & Metal Forming	+	24.64	Other Industrial Materials	+	3.36
Property	+	21.60	Food Manufacturing	+	3.28
Contracting, Construction	+	20.32	Insurance (Composite)	+	3.20
Engineering-Aerospace	+	15.20	Media	+	2.98
Insurance (Life)	+	14.11	Chemicals	+	2.77
FT-SE SmallCap ex Inv Tst	+	13.77	Transport	+	2.65
FT-SE SmallCap	+	13.35	Conglomerates	+	1.85
Electronics	+	13.21	Other Groups	+	1.85
Financial Group	+	12.34	FT-A All-Share	+	1.63
Banks	+	12.12	FT-SE-A 350	+	0.97
Building Materials	+	11.84	Telephone Networks	+	0.74
Oil & Gas	+	9.39	Hotels & Leisure	+	0.65
Capital Goods	+	9.10	Insurance Brokers	+	0.01
Electricity	+	8.81	"500" Share Index	-	0.30
Packaging, Paper & Printing	+	8.73	FT-SE 100	-	0.77
Investment Trusts	+	8.00	Industrial Group	-	1.39
FT-SE Mid 250	+	7.68	Stores	-	1.98
Engineering-General	+	6.87	Consumer Group	-	7.33
Textiles	+	6.72	Brewers & Distillers	-	7.43
Electricals	+	6.40	Food Retailing	-	9.02
Business Services	+	5.73	Health & Household	-	22.89

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		10.000	10/02	117.1443	+0.294	7.45	7.56	7.70
BELGIUM		9.000	03/03	111.1000	-0.050	7.38	7.38	7.31
CANADA *		7.250	06/03	99.5000	+0.350	7.32	7.54	7.66
DENMARK		8.000	05/03	100.5000	-0.650	7.92	7.90	8.16
FRANCE	BTAN	8.000	05/98	104.6594	+0.127	6.87	6.92	7.11
	OAT	8.500	04/03	109.8500	+0.050	7.08	7.13	7.30
GERMANY		7.125	12/02	103.9200	+0.175	6.56	6.60	6.59
ITALY		11.500	03/03	93.0500	+0.540	13.16†	13.31	12.77
JAPAN	No 119	4.800	06/99	103.0662	+0.172	4.18	4.30	3.93
	No 145	5.500	03/02	108.0173	-0.215	4.26	4.33	4.04
NETHERLANDS		7.000	02/03	103.3400	-0.020	6.52	6.58	6.55
SPAIN		10.300	06/02	93.4185	+0.737	11.48	11.69	11.34
UK GILTS		7.250	03/98	101-10	-18/32	6.93	6.69	6.57
		8.000	06/03	101-06	-3/32	7.83	7.66	7.62
		9.000	10/08	106-09	-19/32	8.27	8.11	8.17
US TREASURY *		6.250	02/03	102-24	+8/32	5.88	6.12	6.06
		7.125	02/23	104-26	+7/32	6.75	6.89	6.88
ECU (French Govt)		8.000	04/03	102.9600	+0.040	7.57	7.50	7.47

London closing, *denotes New York morning session. Yields: Local market standard
† Gross annual yield (including withholding tax at 12.5 per cent payable by non-residents.)
Prices: US, UK in 32nds, others in decimal. Technical Data/ATLAS Price Sources

RISES AND FALLS YESTERDAY

	On Friday Rises	On Friday Falls	On Friday Same	On the week Rises	On the week Falls	On the week Same
British Funds	2	72	3	69	215	24
Other Fixed Interest	0	3	12	6	6	48
Commercial, Industrial	222	334	847	1,086	1,082	3,467
Financial & Property	114	147	539	696	403	2,089
Oil & Gas	16	16	52	53	69	214
Plantations	0	0	8	0	3	29
Mines	37	29	69	90	149	302
Others	25	27	72	126	134	233
Totals	416	628	1,602	2,128	2,041	6,406

FT-SE Actuaries Share Indices — THE UK SERIES

FT-SE 100 2824.4 -15.3 | **FT-SE MID 250** 3082.8 -3.1 | **FT-A ALL-SHARE** 1386.07 -6.01

	Apr 16	Day's change	Apr 15	Apr 14	Apr 13	Year ago	Earnings yield %	Dividend yield %	P/E Ratio	Xd adj ytd	1993 High	1993 Low	Since Compilation High	Since Compilation Low
FT-SE 100	2824.4	-0.5	2839.7	2842.1	2846.8	2638.6	6.39	4.03	19.99	32.21	2957.3 8/3	2737.6 19/1	2957.3 8/3/93	986.9 23/7/84
FT-SE Mid 250	3082.8	-0.1	3085.9	3092.7	3101.3	2644.6	6.69	3.80	18.85	21.69	3154.7 19/3	2878.3 13/1	3154.7 19/3/93	1379.4 21/1/86
FT-SE-A 350	1402.0	-0.4	1408.3	1409.9	1412.6	1286.3	6.46	3.98	19.72	14.64	1457.1 8/3	1348.7 19/1	1457.1 8/3/93	664.5 14/1/86
FT-SE SmallCap	1545.81	-0.1	1547.94	1546.76	1544.36	-	4.92	3.72	28.11	12.23	1572.05 19/3	1377.88 4/1	1572.05 19/3/93	1363.79 31/12/92
FT-SE SmallCap ex Inv Trusts	1551.56	-0.1	1553.73	1552.70	1550.87	-	5.46	3.96	27.00	12.16	1581.93 19/3	1380.06 4/1	1581.93 19/3/93	1363.79 31/12/92
FT-A ALL-SHARE	1386.07	-0.4	1392.08	1393.49	1395.73	1268.47	6.36	3.96	20.12	14.26	1438.22 8/3	1330.19 19/1	1438.22 8/3/93	61.92 13/12/74
1 CAPITAL GOODS(213)	955.52	-0.1	956.37	954.03	953.32	863.45	5.62	4.04	23.37	9.61	982.44 8/3	889.89 13/1	1038.07 16/7/87	50.71 13/12/74
2 Building Materials(27)	994.32	+0.6	987.98	975.89	978.75	1073.34	5.22	4.98	27.15	4.86	994.32 16/4	882.69 12/1	1381.08 16/7/87	44.27 11/12/74
3 Contracting, Construction(29)	889.54	+0.3	887.20	878.28	870.62	980.34	2.93	3.72	80.00†	7.01	889.54 16/4	718.61 20/1	1951.50 16/7/87	71.48 2/12/74
4 Electricals(15)	2722.94	+1.6	2679.52	2693.63	2683.67	2576.14	5.49	4.96	23.16	19.67	2777.71 24/3	2533.89 13/1	3040.80 8/9/89	84.71 25/6/62
5 Electronics(37)	2665.37	-1.0	2692.70	2688.44	2682.82	1881.77	5.94	2.99	21.28	18.20	2692.70 15/4	2304.14 18/1	2692.70 15/4/93	1229.01 8/10/85
6 Engineering-Aerospace(7)	341.65	-0.3	342.52	343.97	344.02	383.51	6.01	4.20	22.08	3.19	365.55 3/2	294.58 13/1	502.42 13/6/90	243.47 24/11/92
7 Engineering-General(51)	548.63	-0.3	550.15	552.46	551.74	525.48	7.08	3.86	18.02	5.61	567.22 15/3	519.76 12/1	567.62 20/5/92	339.57 23/1/91
8 Metals & Metal Forming(11)	402.52	+2.0	394.56	384.60	382.45	349.58	4.31	3.06	33.72	0.66	402.52 16/4	319.37 5/1	596.67 9/10/87	49.65 6/1/75
9 Motors(16)	390.90	+0.7	388.03	387.63	388.29	347.28	5.24	5.64	27.27	5.63	408.60 3/2	360.99 25/1	411.42 13/10/87	19.91 6/1/75
10 Other Industrials(18)	2066.97	-0.6	2078.43	2082.40	2065.11	1755.82	5.73	3.97	21.42	32.66	2133.68 1/4	1948.15 19/1	2133.68 1/4/93	277.55 15/1/81
21 CONSUMER GROUP(235)	1632.24	-0.5	1640.63	1636.66	1633.17	1711.96	7.08	3.47	17.58	13.23	1773.10 4/1	1623.35 8/4	1773.10 4/1/93	61.41 13/12/74
22 Brewers and Distillers(29)	1943.92	-0.4	1952.20	1952.30	1944.99	2123.97	8.29	3.71	14.76	10.78	2091.43 4/1	1902.78 7/4	2278.85 11/5/92	69.47 13/12/74
25 Food Manufacturing(22)	1373.12	-0.7	1382.77	1379.79	1369.72	1287.42	7.42	3.68	17.04	16.05	1471.34 10/3	1323.45 13/1	1471.34 10/3/93	59.67 11/12/74
26 Food Retailing(16)	2968.80	-1.2	3004.17	2988.30	2963.83	2790.82	8.64	3.38	15.06	3.50	3427.94 28/1	2910.69 8/4	3427.94 28/1/93	54.25 11/12/74
27 Health & Household(29)	3293.87	-0.5	3311.37	3281.27	3271.97	4333.94	6.91	3.43	16.77	28.93	4307.85 4/1	3271.97 13/4	4654.94 14/1/92	175.38 28/5/80
29 Hotels and Leisure(21)	1301.94	+0.5	1295.60	1299.13	1296.85	1406.55	6.09	4.74	21.98	20.80	1365.28 9/3	1282.18 19/1	1845.77 8/9/89	54.83 9/1/75
30 Media(33)	1887.57	-0.6	1898.29	1903.94	1907.15	1607.12	5.34	2.71	23.13	21.68	1909.89 9/3	1813.01 25/1	1909.89 9/3/93	1166.91 16/1/91
31 Packaging and Paper(24)	853.18	-0.1	854.24	854.80	856.11	797.88	6.26	3.42	19.63	8.78	864.47 8/3	781.26 19/1	875.53 13/5/92	43.46 6/1/75
34 Stores(39)	1143.70	-0.5	1149.60	1148.15	1155.24	1099.47	6.35	3.04	20.83	6.78	1182.40 19/3	1088.51 11/2	1182.40 19/3/93	52.63 6/1/75
35 Textiles(20)	802.30	+0.5	798.42	799.62	795.08	732.47	6.35	3.82	20.04	9.75	819.38 19/3	748.75 18/1	914.52 2/10/87	62.66 11/12/74
40 OTHER GROUPS(142)	1472.11	-1.0	1486.82	1494.62	1504.12	1290.43	8.33	4.26	14.78	14.24	1545.50 8/3	1422.06 19/1	1545.50 8/3/93	58.63 6/1/75
41 Business Services(27)	1614.60	-0.6	1624.13	1617.30	1613.67	1405.65	5.55	3.11	22.21	4.32	1697.14 8/3	1546.00 4/1	1697.14 8/3/93	892.28 1/2/91
42 Chemicals(23)	1472.10	-0.8	1484.06	1464.84	1460.48	1551.76	6.12	4.69	20.61	22.82	1571.12 11/3	1420.38 13/1	1629.99 8/5/92	71.20 1/12/74
43 Conglomerates(11)	1418.66	+0.5	1411.06	1401.03	1408.37	1426.16	7.43	5.30	15.21	13.71	1538.59 8/3	1394.85 6/4	1819.46 11/8/89	975.19 10/11/87
44 Transport(16)	2850.94	-0.8	2872.50	2889.08	2881.43	2570.64	7.60	3.94	15.65	37.01	2971.50 10/3	2698.56 13/1	2971.50 10/3/93	90.80 29/6/62
45 Electricity(16)	1720.76	-0.8	1733.76	1762.98	1804.98	1265.64	12.59	4.18	10.21	28.80	1804.98 13/4	1528.06 3/2	1804.98 13/4/93	994.96 7/1/91
46 Telephone Networks(4)	1701.78	-2.0	1736.18	1757.81	1770.75	1429.87	7.74	3.77	16.83	1.63	1807.78 8/3	1609.91 21/1	1807.78 8/3/93	517.92 30/11/84
47 Water(13)	3438.68	-1.9	3505.48	3607.32	3663.98	2745.02	13.13	4.83	8.46	11.83	3718.52 7/4	3147.09 21/1	3718.52 7/4/93	1820.20 1/5/90
48 Miscellaneous(32)	2313.90	-0.8	2332.39	2328.05	2323.07	1999.14	6.99	4.39	17.85	41.04	2532.51 1/4	2273.95 7/4	2533.67 22/12/92	60.39 6/7/75
49 INDUSTRIAL GROUP(598)	1420.82	-0.6	1429.34	1429.67	1431.24	1366.38	7.23	3.85	17.28	12.82	1490.80 11/3	1405.86 19/1	1490.80 11/3/93	59.01 13/12/74
51 Oil & Gas(18)	2464.72	+0.3	2458.19	2460.72	2477.92	2104.10	5.62	4.70	23.15	25.78	2483.78 30/3	2107.67 19/1	2528.70 3/8/90	87.23 29/5/62
59 "500" SHARE INDEX(806)	1512.88	-0.5	1520.50	1520.89	1523.64	1436.70	7.05	3.95	17.78	13.90	1577.14 11/3	1474.32 19/1	1577.14 11/3/93	63.49 13/12/74
61 FINANCIAL GROUP(88)	987.53	-0.1	988.30	993.59	995.20	728.50	3.36	4.29	52.57	16.57	1002.62 8/3	868.79 13/1	1002.62 8/3/93	55.88 13/12/74
62 Banks(9)	1344.18	+0.3	1340.78	1349.32	1347.89	919.24	4.79	4.01	30.67	26.94	1383.46 8/3	1183.93 13/1	1383.46 8/3/93	62.44 12/12/74
65 Insurance (Life)(6)	2020.40	-0.6	2032.39	2051.57	2067.44	1528.39	2.51	4.42	69.31	41.16	2067.44 13/4	1724.99 13/1	2067.44 13/4/93	44.88 2/1/75
66 Insurance (Composite)(7)	651.40	-1.1	658.87	663.40	672.26	494.38	‡	4.76	‡	11.39	672.44 19/3	617.22 19/1	769.11 29/12/89	43.96 13/12/74
67 Insurance Brokers(10)	778.41	-0.8	784.94	777.98	776.60	948.06	7.36	5.03	18.25	10.70	845.30 11/3	773.69 25/2	1399.56 17/7/87	65.86 16/12/74
68 Merchant Banks(6)	641.23	+0.7	637.01	634.23	631.01	479.74	7.15	3.42	17.93	4.21	654.30 23/3	505.48 11/1	654.30 23/3/93	31.21 7/1/75
69 Property(28)	782.14	—	782.53	786.09	786.93	855.79	8.07	5.07	22.26	1.70	805.14 19/3	638.39 5/1	1398.87 5/9/89	58.01 20/4/65
70 Other Financial(23)	353.85	+0.1	353.34	352.35	349.55	245.78	8.51	4.63	20.17	2.78	353.85 16/4	297.66 13/1	603.48 16/7/87	33.29 17/12/74
71 Investment Trusts(106)	1448.34	-0.3	1452.28	1450.23	1446.57	1212.79	2.28	2.82	43.66	11.87	1479.90 8/3	1321.21 11/1	1479.90 8/3/93	71.12 13/12/74
99 FT-A ALL-SHARE(806)	1386.07	-0.4	1392.08	1393.49	1395.73	1268.47	6.36	3.96	20.12	14.26	1438.22 8/3	1330.19 19/1	1438.22 8/3/93	61.92 13/12/74

Hourly movements

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	High/day	Low/day
FT-SE 100	2838.0	2836.1	2839.1	2838.9	2829.7	2817.3	2820.0	2826.3	2825.3	2824.4	2839.6	2817.1
FT-SE Mid 250	3085.2	3086.2	3087.6	3089.3	3085.0	3080.8	3081.3	3083.4	3082.7	3082.8	3089.5	3080.3
FT-SE-A 350	1407.6	1408.9	1408.2	1408.3	1404.3	1399.1	1400.2	1402.8	1402.4	1402.0	1408.6	1399.0

FT-SE Actuaries 350 Industry Baskets

											Prev close	change
Constrcn	1736.2	1736.1	1741.9	1744.4	1747.5	1749.7	1753.2	1750.8	1747.0	1746.4	1738.2	+8.2
Health & H	995.5	996.5	1001.1	998.2	997.5	992.4	995.3	993.9	991.5	990.1	995.4	-5.3
Water	1444.7	1437.7	1434.8	1434.3	1428.1	1420.8	1419.7	1424.8	1421.5	1420.2	1447.6	-27.4
Banks	1629.3	1629.5	1633.6	1632.9	1628.7	1624.4	1623.2	1629.6	1633.2	1632.5	1628.9	+3.6

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
FT-SE SmallCap	31/12/92	1363.79	Engineering - General	29/12/89	486.00	Other Financial	31/12/70	128.06
FT-SE SmallCap exInv Trust	31/12/92	1363.79	Water	29/12/89	1868.45	Food Manufacturing	29/12/67	114.13
FT-SE Mid 250	31/12/85	1412.60	Conglomerates	31/12/86	1114.07	Food Retailing	29/12/67	114.13
FT-SE-A 350	31/12/85	682.94	Telephone Networks	30/11/84	517.92	Insurance Brokers	29/12/67	96.67
FT-SE 100	31/12/83	1000.00	Electronics	30/12/83	1646.65	All Other	10/4/62	100.00
Business Services	31/12/90	999.65	Other Industrial Materials	31/12/80	287.41	British Government	31/12/75	100.00
Electricity	31/12/90	989.65	Health/Household Products	30/12/77	261.77	Do. Index-linked	30/4/82	100.00
Media	31/12/90	1226.68	Other Groups	31/12/74	63.75	Debs & Loans	31/12/77	100.00
Engineering - Aerospace	29/12/89	486.00	Industrial Group	31/12/70	128.20			

† Sector P/E ratios greater than 80 are not shown. ‡ Values are negative. The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 Indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share Index and the FT-SE SmallCap Index are compiled by The Financial Times Limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules. "FT-SE" and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited. Auditor: The WM Company.

FT MANAGED FUNDS SERVICE

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AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often well above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH Tel: 071-379-0444.

FT MANAGED FUNDS SERVICE

● Unit Trust prices are available from FT Cityline, call 0891 43 + the five-digit code listed after the unit trusts. Calls charged at 36p/minute cheap rate and 48p/minute at all other times.

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Sheppards Unit Trust Mngmt Ltd (1200)F						
1 White Hart Yard, London Bridge SE1 071-407 5866						
Income	5	383.51	383.51	407.93	-2.97	4.32
Global Inc	5	57.01	57.01	60.65	-0.05	3.19
Brit Leaders	5	307.06	307.06	328.86	-2.02	2.17
Intl Leaders	5	182.44	182.44	194.08	-1.18	0.07
P Res Man Bal Cath Inc ¥	3¼	52.75	54.13	58.24	+0.10	2.83
Singer & Friedlander UT Mngmt Ltd (1000)F						
PO Box 224, Beckenham, BR3 4TF 081-663 3003						
European Trust	6	52.80	52.79	56.18	+0.23	1.23
Far Eastern Tst	6	58.25	58.02	62.78	+0.51	0.80
Smaller Cos	6	144.9	148.6	159.2	+5.4	1.87
Smith & Williamson Unit Tst Mgrs (1600)F						
1 Riding House St, London W1A 3AS 071-637 5377						
S & W American ✦	5	258.2	256.6	271.7	+1.30	0.70
S & W Capital	5	118.3	118.3	124.5	-0.10	1.81
S & W Cash ✦	0	100.38	100.38xd	100.38	+0.01	5.98
S & W European	5	113.1	113.1	119.6	-0.50	1.28
S & W Far Eastern	5	133.6	135.3xd	143.1	+1.10	0.00
S & W Growth	5	126.4	126.8	134.2	+0.70	1.45
S & W Income	5	111.0	112.3xd	118.8	-0.60	4.54
S & W Magnum	5	123.0	123.0	131.8	-0.20	1.06
S & W Smlr Secs	5	301.6	308.1xd	326.0	—	0.79
S & W Overseas	5	142.2	142.2xd	152.4	-0.30	1.63
Societe Generale Touche Remnant (1200)F						
3 Finsbury Ave, EC2M 2PA 071-410 4020						
American Grwth	5¼	79.16	79.16xd	84.66	-0.49	0
Eur Sp Sits Acc	5¼	46.72	46.72	49.70	+0.09	0
Eur Sp Sits Inc	5¼	44.13	44.13xd	46.94	+0.09	0
Far East Opps Inc	5¼	29.48	29.48	31.73	+0.37	0
Far East Opps Acc	5¼	30.29	30.29	32.60	+0.38	0
General Growth	5¼	96.26	96.26	103.00	-0.85	2.09
General Growth Acc	5¼	98.72	98.72	105.70	-0.70	2.04
Global Tech	5¼	108.90	108.90	117.70	-0.10	0

	Bid Price	Offer Price	+ or -	Yield Gross
James Capel Fund Managers Ltd				
European Exempt	£110.065	111.292	+0.787	2.82
Japanese Exempt	£135.69	137.778	-0.482	0.72
Managed Exempt	£129.558	136.759	-0.707	3.14
North American Exempt	£101.401	101.605	+1.757	1.18
Pacific Exempt	£114.765	117.178	+1.834	2.98
Cent. Bd. of Fin. of Church of England‡‡				
2 Fore Street, London EC2Y 5AQ 071-588 1815				
Inv Fund Mar 31	606.20	612.60	—	4.72
Fxd Int Sec Feb 28	155.75	158.30	—	9.28
Deposit Fund: See Money Market Trust Funds				
Charinco/Charishare‡‡ (1000)F				
33 King William Street, EC4R 9AS 071-280 2800				
Charinco Inc	177.3	179.3	-0.40	6.16
Charinco Acc	1084	1075	-3.00	6.16
Charishare Inc	188.1	192.0	-0.90	4.17
Charishare Acc	245.2	250.2	-1.10	4.17
CAFINVEST-Charities Aid Foundation				
48 Pembury Rd, Tonbridge TN9 2JD 0732 771333				
Balanced Growth	66.45	68.22	—	3.68
Income	60.90	62.02	—	7.09
COIF-Charities Official Inv Fd‡‡				
2 Fore Street, London EC2Y 5AQ 071-588 1815				
Income Mar 31	500.99	507.49	—	5.00
Accum Mar 31	2331.69	2837.62	—	—
Fixed Int Income Mar 31	127.00	127.01	—	9.13
Fixed Int Accum Mar 31	167.75	167.79	—	—
Deposit Account: See Money Market Trust Funds				
Charity Fixed Int Fd/Charity Equity Fd				
33 Cutler Lane EC2V 8AS 071-382 6900 (Gen Enquiries) 071-382 3919 (Dealing)				
Charity Equity Inc	115.65	118.01xd	-1.04	3.70
Charity Equity Acc	120.41	123.27xd	-1.09	3.70

INSURANCES

OTHER UK UNIT TRUSTS

Continued on next page

FT MANAGED FUNDS SERVICE

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Prosperity Life Assurance Ltd

1 Sessions Hse Sq, Maidstone ME14 1XX 0622 690555

	Bid Price	Offer Price	+ or -	Yield Gross
Initial Equity	161.5	170.5	-1.0	-
Accum Equity	246.5	260.0	-2.0	-
Accum Managed	261.0	275.5	-1.0	-
Accum Five Star	198.5	209.5	---	-
Accum World	142.5	150.5	-0.5	-
Accum Emerg Mkts	225.5	238.0	+2.5	-
Pens Acc Equity	274.0	289.0	-2.0	-
Pens Acc Managed	344.0	362.5	-1.0	-
Pens Acc Emerg Mkts	267.5	282.0	+3.5	-
Pens Acc Deposit	233.5	246.5	---	-
Pens Acc Five Star	224.0	236.5	---	-

Providence Capital Life Assc. Co Ltd

2 Bartley Way, Hook, Hants RG27 9XA 0256 768888

	Bid Price	Offer Price	+ or -	Yield Gross
UK Equity Acc	263.9	278.4	-0.7	-
UK Fixed Int Acc	223.9	236.2	-1.1	-
Intl Equities Acc	225.8	238.2	+0.1	-
UK Managed Acc	192.6	203.1	+0.1	-
Property Acc	221.2	233.4	---	-
Money Acc	145.8	153.8	---	-
Special Market Acc	185.7	195.9	+1.7	-
Japan Equity Acc	116.2	122.6	+0.2	-
North American Acc	148.5	156.7	+1.0	-
Pacific Acc	135.7	143.2	+1.1	-
European Acc	121.9	128.6	+0.1	-
Hong Kong Acc	116.2	122.6	+0.8	-
Intl Fixed Interest Acc	74.4	78.5	---	-
Intl Managed Acc	69.9	73.7	+0.2	-
HIP Managed II Acc	120.0	126.5		-
HIP Managed III Acc	130.6	137.7	+0.7	-
Balanced Growth Acc	115.6	121.9	+0.2	-
Building Society		100.0	---	4.33
Total Investment Bond				
UK Equity Initial		178.4	-0.4	-
UK Fixed Int Initial		149.9	-0.8	-
Intl Equities Initial		150.1	+0.1	-
UK Managed Initial		129.0	+0.1	-
Property Initial		149.2	-0.1	-
Money Initial		98.1	---	-
Special Market Initial		141.8	-1.3	-
Japan Equity Initial		88.7	+0.2	-
North American Initial		113.4	+0.7	-
Pacific Initial		103.6	+0.7	-
European Initial		107.5	---	-
Hong Kong Initial		109.1	+0.7	-
Intl Fixed Interest Init		70.9	+0.1	-
Intl Managed Init		66.7	+0.2	-
HIP Managed II Initial		116.2	---	-

Royal Heritage Life Assurance Ltd - Contd.

	Bid Price	Offer Price	+ or -	Yield Gross
Pension Unit Trust Funds				
Gartmore Global Ser B	224.4	236.3	+1.6	-
Gartmore NA Ser B	149.2	157.1	+1.0	-
Gartmore Pacific Ser B	414.8	436.7	+4.1	-
Henderson Acc Ser B	230.3	242.5	+0.5	-
Perpetual Mng Ser B	256.8	270.4	+1.0	-
Framlington Mn Ser B	221.1	232.8	+0.1	-
Gartmore Mngd Ser B	256.0	269.5	-0.3	-
Gartmore Euro Ser B	162.6	171.2	---	-
Gartmore Global Ser D		145.1	+1.0	-
Gartmore NA Ser D		174.0	+1.1	-
Gartmore Pacific Ser D		224.2	+2.2	-
Henderson Acc Ser D		175.2	+0.3	-
Perpetual Mng Ser D		193.1	+0.7	-
Framlington Mn Ser D		181.8	+0.1	-
Gartmore Mngd Ser D		218.5	-0.3	-
Gartmore Euro Ser D		126.0	---	-
Baring Funds				
Eastern	280.2	295.0	+2.0	-
European Smllr Cos	163.4	172.0	+0.1	-
Managed	183.8	193.5	+0.1	-
Gartmore Funds				
British	318.2	335.0	-2.4	-
European	219.9	231.5	+0.5	-
Frontier Markets	143.3	150.9	+1.4	-
Global Bond	112.7	118.7	+0.7	-
Gold Intl Resources	53.6	56.4	-0.5	-
High Inc	258.1	271.7	-2.0	-
Hong Kong	308.9	325.2	-0.2	-
Income	391.8	412.5	-2.2	-
Japan	390.5	411.1	-2.1	-
UK Smlr Cos	276.0	290.6	-1.2	-
Man Gth	398.5	419.6	-1.1	-
Global Inc & Grth	154.4	162.6	-0.1	-
Pacific Growth	247.5	260.6	+2.5	-
INVESCO MIM				
European Smaller	139.3	146.7	---	-
Sth & East Asia Grth	259.2	272.9	+2.1	-
Inc Growth	287.1	302.3	+1.0	-
Japan Smlr Cos	222.8	234.6	-1.4	-
Man Growth	224.0	235.8	-1.4	-
Gilt	78.1	82.3	-0.8	-
Perpetual Funds				
International Growth	132.5	139.5	+0.3	-
American Growth	193.4	203.6	+0.6	-
Intl Emerging Cos	177.3	186.7	+0.3	-
European	166.3	175.1	+0.7	-
Managed	165.1	173.8	-0.3	-

Royal Life Insurance Ltd

[illegible]

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

[illegible]

GUERNSEY (REGULATED)

[illegible]

CANADA (SIB RECOGNISED)

[illegible]

GUERNSEY (SIB RECOGNISED)

[illegible]

OFFSHORE INSURANCES

[illegible]

MANAGEMENT SERVICES

[illegible]

Rothschild Asset Management (CI) Ltd

PO Box 242, St Peter Port, Guernsey 0481 713713

[illegible]

Singer & Friedlander Investment Funds Ltd

21 New Street, Bishopsgate, EC2M 4HR 071-626 6226

[illegible]

IRELAND (REGULATED)

[illegible]

ISLE OF MAN (SIB RECOGNISED)

[illegible]

ISLE OF MAN (REGULATED)

[illegible]

IRELAND (SIB RECOGNISED)

[illegible]

JERSEY (SIB RECOGNISED)

[illegible]

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FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 873 4378.

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Capital House Fund Mgrs (CI) Ltd (0000)H						
PO Box 189, St. Helier, Jersey 0534 74689						
Capital House International Growth Funds Ltd φ						
Equities						
UK Equity	5½	£1.458	1.478	1.569		-
North American	5½	$1.728	1.761	1.869		-
Japanese	5½	$1.658	1.677	1.780		-
Pacific Basin	5½	$3.098	3.153	3.347		-
Continental Europe	5½	$2.435	2.463	2.614		-
Gold	5½	$0.936	0.938	0.990		-
Bonds						
Sterling Bond	5½	£1.839	1.838	2.055	...	6.43
International Bond	5½	$2.205	2.205	2.338		4.58
US Dollar Bond	5½	$1.668	1.668	1.767		4.32
Currencies						
£ Sterling	0	£31.06	31.06	31.06	---	5.05
US$	0	$20.58	20.58	20.58	---	2.01
Japanese Yen	0	Y3999	3999	3999	---	2.77
D Marks	0	[illegible]	69.91	69.91	+0.01	7.31
Ecu's	0	[illegible]	33.57	33.57	+0.02	8.40
Managed						
Intl Portfolio	5½	$1.885	1.907	2.024		0.00
Managed Currency	5½	$2.464	2.454	2.597		1.24
Gartmore Fund Managers International Ltd						
PO Box 278, 45 La Motte St., Jersey 0534 27535						
Capital Strategy Fund Ltd (z)						
American Fd	$-		2.0240			-
Canadian Fd	C$-		0.9807			1.25
British Fund	£-		2.8210			3.00
European Fund	DM-		5.1020			-
Asia Pacific Fd	$-		2.9810			-
Japan Fund	Y-		586.3000			-
Australasian Fd	A$-		0.4042			2.00
Global Resources	$-		0.7191			1.25
Emerging Mkts Fd	$-		2.0810			0.50
Int Growth Fund	$-		3.4560			0.50
Sterling Bond Fd	£-		1.2030			8.83
ECU Bond Fund	Ecu-		0.9782			7.03
Int Bond Fund	$-		1.3180			4.94
US$ Deposit Fd	$-		1.0030			2.05
Sterling Deposit Fd	£-		1.0090			5.03
French Franc Dep Fd	FFr-		10.1400	---		8.73
Swiss Fr Dep.	SFr-		5.0260	---		4.27
DM Deposit Fd	DM-		5.0420			2.89
Yen Deposit Fd	Y-		501.2000	---		2.89
Aust Dlr Deposit Fd	A$-		1.0050	---		3.36
US Dollar Bond	$-		1.0320			4.66
Yen Bond	Y-		506.8000	---		3.78
US Dollar Global Curr	$-		0.9799			-
Sterling Global Curr	£-		1.0890			-
John Govett (Channel Islands) Ltd (1000)F						
6 Mladen Place, Helier, Jersey						

	Bid Price	Offer Price	+ or -	Yield Gross
Schroder Worldwide Selection Fd Ltd				
Equity Class Funds				
American	$16.08	18.01	-0.03	-
Asian Smlr Mkts	$18.31	19.45	-0.10	-
European	$11.08	11.77	-0.05	-
Gold	$3.417	3.632	-0.032	-
Japanese	$30.68	32.61	-0.07	-
Pacific Basin	$22.44	23.84	-0.08	-
S'pore Indo Malaysian	$10.46	11.11	+0.01	-
Utd Kingdom	£10.37	11.02	-0.03	-
Worldwide	$16.75	17.79	-0.08	-
Worldwide Income	$10.88	11.55	-0.01	-
Worldwide Warrant	$5.670	6.013	+0.022	-
Worldwide Guaranteed	$11.22	11.97	+0.04	-
W'wide Guaranteed NAV	$11.22		---	-
Managed Class Fund				
Worldwide	$10.20	10.83	-0.03	-
Bond Class Funds				
Ecu	Ecu9.287	9.823	+0.002	6.27
Sterling	£9.925	10.49	-0.02	8.42
US Dollar	$9.535	10.08	+0.01	4.32
Worldwide	$9.730	10.29	-0.01	4.84
Scrimgeour Kemp-Gee Mngmt., Jersey				
SKG Capital Fund	£5.096	5.439	---	-
SKG Income Fund	£0.804	0.856	---	6.62
TSB Trust Funds (CI)				
TSB Jsy Equity Fd	45.7	48.1	-0.40	1.77
TSB G'sey Equity Fd	45.7	48.1	-0.40	1.77
TSB Island Pension	451.8	475.6	---	-
TSB Gilt Fd (Jsy) Ltd	106.27	109.74	-0.18	7.85
Tyndall International (Jersey) Ltd				
Gilt Fd	122.6	128.8	-0.7	7.76
(Accum Shares)	757.3	795.3	-4.2	7.76
Managed Currency Stg	132	141	---	-
International	412	433	+1	0.28
Warburg Asset Management Jersey Ltd				
Ctn Island & Int	£1.28	1.37	---	2.47
Energy Int	$123.89	131.88	-1.28	-
Mercury Bond Apr 14	£30.98	32.63	---	5.40
Merc Money Mkt Stg	£46.29		---	-
Mercury International Inv Tst Ltd				
Cont'l Europe Fd	£77.87	83.41	+0.12	-
Nth America Fd	£55.02	58.89	-0.04	-
Japan Fd	£48.84	52.32	+0.08	-
Pacific Fd	£85.24	89.87	+0.34	-
Reserve Fd	£50.90	53.48	-0.04	-
Worldinvest (Managers) Jersey Ltd				
Worldinvest Inc Fd †	$269.37	270.73	---	5.18
Excalib Global Eqty $	$80.65	90.97	---	-

LUXEMBOURG (SIB RECOGNISED)

JERSEY (REGULATED)(**)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

WORLD STOCK MARKETS

US MARKETS (3 pm)

April 16	US$	+ or −
AAR Corp	12¾	-⅛
AMP Inc	59¾	-⅛
AMR Corp	66⅞	+¾
ASA	39¾	+⅝
Abbott Labs	25¼xd	-¼
Acme Cleveland	8⅞	---
Advanced Micro	23⅞	-½
Aetna Life	51⅝	-⅜
Affiliated Publ	12¼	---
Aflac	37¾	-¾
Ahmanson (HF)	16⅞	---
Air Prod & Chemical	44	+1⅛
Alberto-Culver B	26	+½
Albertson's	54½	-½
Alcan Aluminum	18⅝	+½
Alco Standard	47¾	---
Alexander & Alex	25⅛	+⅛
Alex & Baldwin	24¾	---
Allegheny Power	53	+⅜
Allied Signal	69⅞	+1¼
Aluminum Co of Am	63⅝	+¼
Amax	18¼	+¼
Amdahl Corp	6⅞	---
Amerada Hess	54⅞	-½
Amer Brands	31	-⅛
Amer Cyanamid	50¾	+⅜
Amer El Power	38¼	+½
Amer Express	28⅞	+¼
Amer Genl Corp	32⅞	+¼
Amer Greetings A	53⅝	+½
Amer Home Pr	65¼	+¾
Amer International	130½	-¾
Amer Natl Ins	59¼	-1
Amer Stores	40¾	-¼
Amer T & T	60	+¼
Ameritech	79⅝	+1⅜
Ametek Inc	15½	-⅛
Amoco	58⅞	+¾
Analog Devices	20	---
Anheuser-Busch	51⅜	-¼
Aon Corp	56⅞	+⅞
Apple Computer	48⅞	+1⅛
Archer Daniels	24⅝	+⅝
Arkla	9½	---

April 16	US$	+ or −
DSC Commun	30⅛	---
DQE	35⅞	---
Dana Corp	47¾	-¼
Data General	10⅝	---
Dayton Hudson	74¼	-1¼
Deere	58½	+⅛
Delmarva Power & L	23¾xd	---
Delta Air Lines	58⅜	+¾
Deluxe Corp	46⅞	+1¾
Detroit Edison	36⅝	+¼
Dial Corp Del	39	---
Diebold Inc	45	-⅜
Digital Comms	13¾	-⅜
Digital Equipment	41⅜	+½
Dillard Dept St	38½	+1⅝
Disney (Walt)	41⅝xd	-¼
Dole Food Inc	34⅞	-⅛
Dominion Res	44⅞	-⅛
Donelley (RR)&Sons	28¾	---
Dover Corp	49¾	+¼
Dow Chemicals	50¼	+⅜
Dow Jones	32¼	+¼
Dravo Corp	9	-⅛
Dresser	21	+¼
Dreyfus Corp	39	-½
Duke Power	41⅛	+⅜
Dun&Bradstreet	59	+¾
Du Pont	53	+1⅝
E G & G Corp	23⅛	-⅛
E-Systems	42⅞	+¼
Eastern Enterprises	29⅞	+¼
Eastman Kodak	55⅛	+⅛
Eaton Corp	91¾	+⅝
Echlin Inc	25⅞xd	+¼
Emerson Electric	60⅝	-¼
Engelhard Corp	39¾	+¾
Enron Corp	60½	+⅞
Enserch Corp	19⅜	---
Entergy Corp	38⅛	+⅞
Ethyl Corp	30⅛	+½
Exxon	66⅞	+½

April 16	US$	+ or −
Knight-Ridder	57⅛xd	+⅜
Kroger	18⅝	-¼
LSI Logic	12	-⅝
Legget & Platt	35⅞	-⅝
Leucadia Natl	42⅞	---
Lilly (Eli)	45⅝	-⅜
Limited Inc	22¾	-⅛
LIN Broadcasting	81⅛	-⅜
Lincoln Nat	82¾xd	+⅜
Litton	59⅜	+⅝
Liz Claiborne	36⅛	-⅜
Lockheed Corp	64⅞	---
Loews Corp	101⅞	+⅜
Lone Star	1.87	+.13
Long Island Light	28⅛	+¼
Longs Drug Stores	33⅞	+¼
Loral Corporation	36⅜	+⅜
Lotus Dev Corp	25⅞	-⅞
Louisiana Land	45⅛	-¼
Louisiana Pacific	75½	+⅞
Lowe's Co Inc	30⅝xd	-1⅛
Lubrizol	32⅛	+⅜
MA Comm Inc	6¾	+⅛
MCI Commun	47⅛	-⅜
Mac Frugals Bargain	17	-¼
Manor Care	19¾	-¼
Manville Corp	9	+¼
Mapco Inc	53⅜	+¼
Marion Merrell	17½	---
Marriott	25¾	-⅛
Marsh & McLennan	94¾xd	-⅛
Martin Marietta	74⅛	---
Masco Corp	32¾xd	+½
Massmutual Corp	28¾	+⅛
Mattel Inc	23⅝	---
Maxus Energy	9⅜	-¼
May Dept St	71⅞	-1⅜
Maytag Corp	13½	+¼
McCaw Cellular	38½	---
McDermott	27½	-½
McDonalds	49⅝	-¼

INDICES

NEW YORK DOW JONES

	Apr 15	Apr 14	Apr 13	Apr 12	1993 HIGH	1993 LOW	Since compilation HIGH	Since compilation LOW
Industrials	3455.92	3455.64	3444.03	3428.09	3478.34 (10/3)	3241.95 (20/1)	3478.34 (10/3/93)	41.22 (2/7/32)
Home Bonds	106.61	106.49	106.66	106.61	106.66 (13/4)	103.48 (11/1)	106.66 (13/4/93)	54.99 (1/10/81)
Transport	1673.21	1650.93	1669.52	1648.84	1673.21 (15/4)	1453.84 (4/1)	1673.21 (15/4/93)	12.32 (8/7/32)
Utilities	247.56	245.99	245.81	244.49	247.56 (15/4)	217.14 (8/1)	247.56 (15/4/93)	10.50 (8/4/32)

DJ Indl. Day's High 3484.28 (3482.93) Low 3419.17 (3424.85) (Theoretical♦)
Day's High 3465.91 (3461.59) Low 3437.61 (3441.69) (Actual♦)

STANDARD AND POOR'S

	Apr 15	Apr 14	Apr 13	Apr 12	1993 HIGH	1993 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	448.40	448.66	449.23	448.37	456.33 (10/3)	429.05 (8/1)	456.33 (10/3/93)	4.40 (1/6/32)
Industrials¶	508.37	508.78	509.58	508.31	524.89 (10/3)	497.53 (18/2)	524.99 (10/3/93)	3.62 (21/6/32)
Financial	46.30	46.55	46.67	46.18	46.67 (13/4)	39.89 (8/1)	46.67 (13/4/93)	8.64 (1/10/74)
NYSE Composite	247.39	247.73	247.85	246.91	251.38 (10/3)	236.21 (8/1)	251.36 (10/3/93)	4.46 (25/4/42)
Amex Mkt. Value	419.42	420.52	420.51	418.08	423.43 (31/3)	395.84 (8/1)	423.43 (31/3/93)	29.31 (9/12/72)
NASDAQ Composite	670.32	673.94	673.83	673.12	708.85 (4/2)	651.40 (23/2)	708.85 (4/2/93)	54.87 (31/10/72)

	Apr 2	Mar 26	Mar 19	year ago (approx.)
Dow Industrial Div. Yield	3.04	2.98	2.95	2.85
	Apr 14	**Apr 7**	**Mar 31**	**year ago (approx.)**
S & P Industrial div. yield	2.52	2.55	2.49	2.57
S & P Ind. P/E ratio	26.09	25.82	26.55	23.46

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
Wal-Mart	8,913,500	27⅝	+ ⅜
RJR Nabisco	8,606,100	5⅝	- ⅛
Philip Morris	4,422,400	48	+ ½
Nat Med Ent	4,182,600	7⅞	+ ¼
Gen Motors	3,668,600	40	- ⅜
Merck	2,937,100	33⅛	- ⅝
Pepsico	2,378,400	38¾	- ½
Citicorp	2,120,500	28⅞	+ ⅛
Glaxo	2,105,200	17¼	- ⅜
Coca-Cola	1,987,400	39⅝	- ¼

TRADING ACTIVITY

† Volume (Millions)	Apr 15	Apr 14	Apr 13
New York SE	260.180	256.095	285.153
Amex	14.372	16.579	15.229
NASDAQ	246.953	243.108	259.949
NYSE			
Issues Traded	2,499	2,499	2,514
Rises	926	1,030	1,249
Falls	994	882	719
Unchanged	579	587	546
New Highs	137	188	212
New Lows	38	25	34

CANADA TORONTO

	Apr 15	Apr 14	Apr 13	Apr 12	1993 HIGH	1993 LOW
Metals & Minerals	2859.17	2856.20	2868.01	2853.91	2972.25 (9/2)	2743.31 (21/1)
Composite	3634.20	3629.65	3624.84	3615.01	3634.20 (15/4)	3275.80 (21/1)
MONTREAL Portfolio	1819.81	1823.50	1818.51	1820.41	1856.83 (23/3)	1720.97 (21/1)

Base values of all indices are 100 except NYSE All Common – 50; Standard and Poor's – 10; and Toronto Composite and Metals – 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds.‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable. ♦ The DJ Indl. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ¶ Subject to official recalculation.

WORLD INDICES

	Apr 16	Apr 15	Apr 14	Apr 13	1993 HIGH	1993 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1703.2	1704.1	1704.4	1688.7	1704.40 (14/4)	1495.00 (13/1)
All Mining (1/1/80)	678.6	685.1	681.6	672.2	685.10 (15/4)	584.70 (13/1)
AUSTRIA						
Credit Aktien (30/12/84)	325.24	328.84	330.57	333.21	357.78 (9/3)	300.28 (14/1)
Traded Index (2/1/91)	765.46	775.27	779.86	789.19	850.17 (9/3)	712.06 (15/1)
BELGIUM						
BEL20 (1/1/91)	1254.07	1258.93	1258.84	1261.82	1269.11 (7/4)	1125.46 (4/1)
DENMARK						
Copenhagen SE (3/1/83)	285.75	286.01	283.79	280.76	289.64 (4/2)	261.90 (4/1)
FINLAND						
HEX General (28/12/90)	1060.6	1059.3	1057.9	1060.0	1090.60 (16/4)	843.10 (22/1)
FRANCE						
CAC General (31/12/81)	538.55	541.81	541.01	537.43	547.37 (30/3)	471.24 (13/1)
CAC 40 (31/12/87)	1988.69	1988.63	2015.43	2018.68	2035.91 (30/3)	1772.21 (29/1)
GERMANY						
FAZ Aktien (31/12/58)	661.31	662.94	658.73	659.65	675.70 (10/3)	598.92 (14/1)
Commerzbank (1/12/53)	1892.70	1887.40	1874.90	1877.70	1906.10 (10/3)	1694.30 (14/1)
DAX (30/12/87)	1678.85	1676.21	1672.44	1671.05	1717.40 (11/3)	1516.50 (13/1)
HONG KONG						
Hang Seng Bank (31/7/64)	6697.15	6732.04	6789.74	6418.21	6789.74 (14/4)	5437.80 (4/1)
IRELAND						
ISEQ Overall (4/1/88)	1591.74	1573.81	1572.51	1551.36	1591.74 (16/4)	1191.19 (11/1)
ITALY						
Banca Com. Ital. (1972)	513.28	508.32	512.31	513.01	538.72 (4/3)	446.33 (8/1)
MIB General (4/1/93)	1133.0	1124.0	1132.0	1133.0	1186.00 (2/3)	992.80 (11/1)
JAPAN						
Nikkei (16/5/49)	20297.86	20675.84	20533.38	20740.29	20740.29 (13/4)	16287.45 (25/1)
Tokyo SE (Topix) (4/1/68)	1565.10	1589.73	1592.86	1608.76	1608.76 (13/4)	1250.06 (25/1)
2nd Section (4/1/68)	2078.88	2075.67	2060.70	2042.93	2078.88 (16/4)	1651.72 (26/1)
MALAYSIA						
KLSE Composite (4/4/86)	662.02	660.73	660.60	654.28	662.02 (16/4)	614.28 (13/1)
NETHERLANDS						
CBS TtlRtn.Gen.(End 1983)	332.1	330.8	330.0	329.0	332.10 (16/4)	295.70 (4/1)
CBS All Shr (End 1983)	223.1	222.3	221.8	221.1	223.10 (16/4)	198.60 (13/1)
NORWAY						
Oslo SE (Ind) (2/1/83)	783.29	785.50	781.75	788.38	788.43 (29/3)	659.93 (27/1)
PHILIPPINES						
Manila Comp (2/1/85)	1580.66	1583.25	1578.89	1564.35	1583.25 (15/4)	1270.68 (4/1)
SINGAPORE						
SES All-Singapore (2/4/75)	434.47	428.24	426.03	423.45	434.47 (16/4)	394.10 (13/1)
SOUTH AFRICA						
JSE Gold (28/9/78)	1203.0¶	1199.0	1167.0	1218.0	1279.00 (5/4)	775.00 (5/1)
JSE Industrial (28/9/78)	4367.0¶	4372.0	4340.0	4353.0	4645.00 (10/2)	4339.00 (14/4)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	706.86	718.76	704.92	720.52	720.96 (12/4)	605.93 (6/3)
SPAIN						
Madrid SE (30/12/85)	238.83	239.08	240.05	239.00	241.50 (30/3)	215.60 (4/1)
SWEDEN						
Affarsvarlden Gen. (1/3/37)	1000.0	1000.4	1000.30	998.9	1039.00 (8/3)	872.10 (28/1)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	854.8	853.1	854.0	860.9	970.40 (1/4)	904.80 (11/1)
SBC General (1/4/87)	739.5	740.2	740.8	743.8	745.99 (2/4)	678.70 (11/1)
TAIWAN**						
Weighted Price (30/6/66)	4634.19	4695.49	4575.85	4597.66	5013.28 (7/4)	3098.43 (8/1)
THAILAND						
Bangkok SET (30/4/75)	888.86	874.65	(c)	(c)	998.44 (25/1)	849.20 (30/3)
WORLD						
M.S. Capital Intl.(1/1/70) $	553.3*	557.6	557.7	560.6	560.80 (13/4)	488.60 (13/1)
Euro Top-100 (26/6/90)	956.77	957.22	958.30	958.01	958.30 (14/4)	862.73 (13/1)

**Saturday April 10: Taiwan Weighted Price: 4,688.88, Korea Comp Ex. 708.33.
¶ Subject to official recalculation.
*Calculated at 15.00 GMT.

Base values of all indices are 100 except Austria Traded, BEL20, HEX Gen., MIB Gen., CAC40, Euro Top-100, ISEQ Overall and DAX – 1,000, JSE Gold – 255.7, JSE 20 Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed. (u) Unavailable

AMERICA

Dow mixed as investors digest economic data

Wall Street

AFTER a promising start, US share prices were trading merely mixed at midsession yesterday as investors digested the latest batch of quarterly earnings reports, *writes Patrick Harverson in New York.*

At 1 pm, the Dow Jones Industrial Average was up 7.29 at 3,463.21. The more broadly based Standard & Poor's 500 was down 0.08 at 448.32, while the Amex composite was up 0.16 at 419.58, and the Nasdaq composite 3.32 lower at 667.00. Trading volume on the NYSE was 168m shares by 1 pm.

SAO PAULO rose another 2.7 per cent at midsession, following a 9 per cent rise in the Bovespa index earlier in the week. Investors welcomed news that the head of the privatisation commission was to stay in his post.

Equities have been active ahead of Monday's options settlement as well as on fears that the government might introduce an anti-inflation package. Inflation currently stands at 26 per cent a month.

The market opened in a positive mood, in spite of declining bond prices and mixed economic reports. The trade deficit widened in February to $7.2bn as exports, after months of solid growth, fell because of weakness in overseas economies. March industrial production, meanwhile, was flat. Although the severe winter storms of last month was partially to blame for the lack of output growth the data suggests, nonetheless, that the economy is not exactly firing on all cylinders.

Investors chose to ignore the economic news. Attention was *primarily fixed on quarterly* earnings, although prices eased in mid-morning as investors became more cautious ahead of the afternoon expiration of important options contracts, which in the past has created volatile trading.

Among stocks affected by earnings news, Storage Technology jumped $3⅛ to $25⅞ after reporting first quarter operating profits of 14 cents a share, down from a year ago but still better than expected.

One of the day's biggest losers was Gillette, which plunged $5 to $49 after Bear Stearns downgraded the stock from "buy" to "hold". On Thursday, Gillette announced higher profits, but static sales.

Wal-Mart, which earlier in the week had told analysts that sales growth at its stores this year would not make it into double-figures, continued to suffer at the hands of sellers. The stock fell another $½ to $27⅛ in volume of 2m shares and is now within $2 of its 52-week low.

Manufacturers of brand-name consumer products remained out of favour. Pepsico fell $1¼ to $37⅞, Coca-Cola dropped $1⅜ to $38¼ and Procter & Gamble fell $⅜ to $48⅜.

JP Morgan climbed $2 to $73⅜ after analysts raised their ratings on the stock following its strong first quarter performance.

Canada

TORONTO moved higher at midday, supported by recent forecasts showing Canada's economic recovery gathering speed in late 1993 and into 1994. The TSE 300 index rose 9.37 to 3,643.50 in volume of 53.8m shares valued at C$351m.

SOUTH AFRICA

INVESTORS were nervous as the country braced itself for possible weekend violence. The overall index gained 18 to 3,563 as *industrials lost 5 to* 4,367. Golds advanced 4 to 1,203. Vaal Reefs fell R2.50 to R221.00 and De Beers was up 50 cents at R76.

Tokyo rally fails to change the sceptics's minds

Emiko Terazono reports that serious doubts remain about the recovery of the Japanese economy

The sudden rise of the Tokyo stock market in recent months has renewed enthusiasm for stocks and increased the confidence of Japanese brokers.

The Nikkei average has risen by 20 per cent since the beginning of the year, and volume has risen to levels reminiscent of the late 1980s bull market. While the index corrected down 1.8 per cent to 20,297.86 yesterday, *Japanese brokers* continue to cheer prices on.

The unexpected rally, however, leaves many investors still sceptical about the recovery of Japan's economy, and has raised concerns about a resurgence of asset inflation, seen in the days of loose credit in the late 1980s.

The change in investor sentiment was initially triggered by a wave of government buying through public funds at the beginning of last month. Foreigners were quick to respond to the rise, and a jump in Nippon Telegraph and Telephone, a benchmark for investor sentiment, fuelled further optimism.

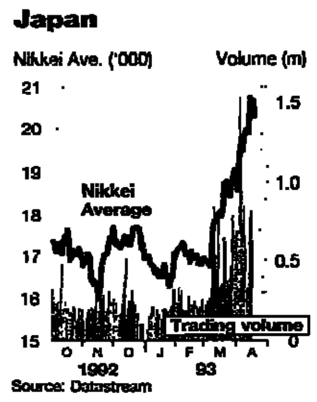
Share prices received another boost earlier this week with the government's Y13,200bn emergency economic package, and the Nikkei recovered the psychologically important 20,000 level for the first time since March last year.

Japanese brokers have been quick to point out that the stock price movements reflect rational investor behaviour, and that share prices were reacting to the bottoming out of the economy and future corporate profits. "The economy has hit the bottom and investors are discounting future earnings," says Mr Takatoshi Okuyama at Daiwa Securities.

Indeed, some economic indicators have been encouraging. New car sales in March rose 1.5 per cent after 14 consecutive months of decline. Money supply expanded by a slim 0.2 per cent in February after a 0.3 per cent contraction in January.

However consumer demand has yet to recover, as indicated by a 11.4 per cent fall in March department store sales, the sharpest fall since the Japan Department Store Association started collecting statistics in 1965. Capital investment is still weak, and some economists are expecting last month's money supply figures to indicate sluggish growth.

Japan



Source: Datastream

The speed of the market's rise against the mixed economic backdrop has triggered concerns over a potential recurrence of the asset "bubble" last seen in the late 1980s. Low interest rates, a Y6,000bn emergency package, and a higher yen triggered the sharp rise in asset prices in 1987. While government officials point out that they are keeping a close watch, cynics suggest that the Japanese authorities are now trying to counter the sluggish economy by shoring up share prices.

Some analysts point out that the Japanese economy is closely linked to asset prices. Since a rise in share prices will help Japanese companies and banks by relieving them of losses on their stock portfolios, the rise in share prices will help to increase the flow of funds into the economy.

Kleinwort Benson in Tokyo reckons that a 15 per cent rise in the stock market creates Y45,000bn of financial wealth. Thus, while the economy has yet to recover, a sustained recovery in share prices may lead to an improvement in economic fundamentals.

The emergency economic package may also help property prices. The package includes a total Y1,600bn to be pumped into the property market through advance land purchases for public works projects and increased funds for the Housing Loan Corporation, which provides a third of all mortgages in Japan.

Brokers are already resuming the trading patterns seen in the late 1980s, using "themes" to sell stocks and whipping up market activity by rotating trading from one sector to another. The big question is whether economy and corporate earnings will catch up with the "bubble" on the stock market, which is currently trading at a price/earnings ratio of 74 times. Mr Geoffrey Barker, economist at Baring Securities, says the package will help the economy, but adds that it will recycle existing cash rather than pump in new funds.

Although Japanese brokers maintain a bullish stance, foreigners, who led the recent rally, are starting to take a cautious stance as the index approaches its forecast ceiling of 22,000. Technically, some analysts consider the index overstretched at 17 per cent above its 200-day moving average of 17,200. Mr Chris Newton at James Capel says: "Normally if the market is 11 to 13 per cent over the 200-day average, there is a correction.'

However, with more public funds waiting to be invested, a floor is expected around the 19,500 level. The earnings reporting season in mid-May is unlikely to bring big surprises and the focus will be on companies' profit estimates for the current year to next March.

Mr Alan Livsey at Kleinwort Benson says that unless the higher yen forces the Bank of Japan to ease its monetary policy, the next few months may see few events for investors to get excited about.

Meanwhile, smaller stocks have also recovered, with the over-the-counter market yesterday closing at 1,581.67, up 44 per cent from its low in November. Foreigners seeking exposure in Japan have been leading buyers; investment trust funds have also actively purchased shares.

However, Mr Takehiro Tsuda, at Ichiyoshi Securities, a medium-sized brokerage specialising in OTC stocks, says the index may be at a near-term peak. "The OTC index will face a correction to the 1,400 level ahead of the March earnings announcement season."

EUROPE

Senior bourses mark time ahead of Buba meeting

SENIOR bourses continued to mark time yesterday, waiting for next week's Bundesbank meeting in the hope of more interest rate cuts, *writes Our Markets Staff.*

FRANKFURT ended the week 1.4 per cent ahead, with the DAX index up 3.64 to 1,678.85 in turnover down from DM5.6bn to DM4.8bn.

Volkswagen rose DM6.40 to DM317.70. Dealers liked the fact that the VW brand name sold 5.2 per cent more cars in March than it did in the same month of 1991.

Mannesmann rose DM3.50 to DM260.50 as it confirmed a DM1.1bn financing arrangement for its D2 mobile telephone network; Veba climbed *DM4.50 to DM388 on expansion* plans at its PreussenElektra power generation unit, and following a recent Merck Finck buy recommendation which looked for better things from its cyclical chemicals and oils divisions.

BRUSSELS turned its attention from Petrofina, active this week on unfounded speculation that Elf Aquitaine might be building on its 5 per cent stake, to Solvay.

Reports that a number of brokers had reduced their 1993 eps forecasts and issued sell notes left Solvay BFr300 or 1.8 per cent lower at BFr12,500, after an intraday low of BFr12,350.

Petrofina suffered some profit-taking as it closed BFr50 lower at BFr9,350, still 4 per cent better since Tuesday. The Bel-20 index shed 4.86 to 1,254.07, barely changed on the week, in turnover of BFr1.45bn.

MILAN picked up, taking its lead from strong demand for telecoms and helped by end of account book squaring. The Comit index rose 4.94 to 513.26, little changed on the week.

FT-SE Actuaries Share Indices THE EUROPEAN SERIES

April 16 Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1159.66	1160.13	1159.60	1159.10	1159.35	1159.26	1159.97	1159.61
FT-SE Eurotrack 200	1220.29	1220.63	1220.89	1219.75	1217.00	1216.50	1218.33	1217.23

	Apr 15	Apr 14	Apr 13	Apr 8	Apr 7
FT-SE Eurotrack 100	1156.40	1160.63	1157.54	1151.40	1144.36
FT-SE Eurotrack 200	1220.62	1223.50	1220.72	1211.28	1206.25

Base value 1000 (26/10/90) High/day: 100 - 1160.84; 200 - 1221.60 Low/day: 100 - 1158.61 200 - 1215.59.

Telecoms climbed on proposals to change tariff. Stet, the state holding company, rose L122 or 5.2 per cent to fix at L2,450 while Sip, the main telephone utility, added L70 or 3.9 per cent to L1,829. Strong foreign buying was reported.

ZURICH edged marginally *higher ahead of a holiday* weekend. A firmer trend in the dollar helped exporters late in the session and the SMI index rose 2.0 to 2,162.9, 1.1 per cent lower on the week.

Sulzer, the engineering group, rose SFr29 or 4 per cent to SFr755 ahead of next week's annual news conference which is expected to unveil a bright outlook for the company.

Alusuisse dipped SFr9 to SFr485 in response to Thursday's late announcement of a *one-for-10 rights issue.*

MADRID moved up gently again, the general index closing 0.75 higher at 239.83 for a 2 per cent gain on the week on the conviction that interest rates are coming down.

PARIS drifted into the weekend with the CAC-40 down 1.94 to 1,986.69 and unchanged on the week. Turnover slipped to FFr2.1bn.

Total continued to attract buyers but the shares only nudged up 80 centimes to FFr272, while Elf Aquitaine, which denied that it might be lifting its stake in Petrofina, rose FFr2.60 to FFr371.50.

Eurotunnel, which is expected to release results on Monday, lost 25 centimes to FFr38.85.

VIENNA saw an operating loss and a passed dividend take Austrian Airlines Sch45 or 3 per cent lower at Sch1,485. The ATX index fell 9.81 to 765.46, *off 2.3 per cent on the week.*

AMSTERDAM was supported by options expiry as the CBS Tendency index rose 0.1 to 109.7, up 2 per cent on the week. Among the insurers ING added Fl 2.30 to Fl 67.60 while Amev lost Fl 2.40 to Fl 71.10, on switching following results from both earlier this week.

DUBLIN extended its gains on the week to 4.5 per cent as the ISEQ overall index rose 17.93 to 1,591.74, a placing of 55m shares in Irish Life at a 5 per cent discount to Thursday night's price being offset by a I£1.15 a share bid for Fyffes, the fruit wholesaler, and another half-point base rate cut to 9 per cent.

Dealers noted that Fyffes promptly outpaced the bid price, closing at I£1.22 after I£1.30, and that it took other food companies up with it.

ISTANBUL continued its relentless drive higher, adding *5.3 per cent for a weekly rise of* 8.7 per cent. The market index rose 374.23 to 7,341.37, firmly through the 7,000 level and establishing this month's eighth record high.

ASIA PACIFIC

Region volatile as Nikkei declines

Tokyo

A wave of profit-taking by dealers, investment trusts and arbitrageurs left equities 1.8 per cent lower ahead of yesterday's summit in Washington between Mr Kiichi Miyazawa, the Japanese prime minister, and Mr Bill Clinton, the US president, *writes Wayne Aponte in Tokyo.*

The Nikkei average fell 377.98 to 20,297.86, still 1.9 per cent higher on the week, after a day's high of 20,743.20 and a low of 20,225.78. The broader Topix Index of all first section issues ended 24.63 lower at 1,565.10.

Volume was estimated at 550m shares compared with Thursday's 637m. Declines led advances by 821 to 271, with 99 unchanged. *In London,* the ISE/Nikkei 50 index rose 1.48 to 1,233.92.

Losses were attributed to political uncertainty and to some nervousness over Monday's money supply data for March. Data reflecting private bank lending and demand for time deposits rose last February for the first time in six months. However, some economists expect negative figures *for March, indicating slower* economic recovery.

In spite of the day's declines, the consensus among market participants is that the Nikkei will hold above 20,000 in the short-term. One analyst at a British brokerage said that investors were looking for fresh incentives to join the market.

Profit-taking pushed Sumitomo Metal Mining, again the day's most active issue, Y22 lower at Y950. Nippon Telegraph and Telephone dropped Y10,000 to Y1.01m.

The financial sector was also under pressure, with Fuji Bank down Y60 at Y1,990. Mitsubishi Bank lost Y50 to Y2,440 and the Industrial Bank of Japan dropping Y40 to Y2,600.

Mazda Motor, developing a fuel efficient engine, was actively bought, gaining Y51 to Y601.

In Osaka, the OSE average declined 193.86 to 21,984.83, in volume of 22.5m shares.

Roundup

THE REGION was mixed, and volatile.

SINGAPORE hit a third consecutive closing high, the Straits Times Industrial index closing 31.95, or 1.85 per cent higher at 1,763.35, 2.6 per cent up on the week, as volume fell to 398.9m shares from Thursday's record 550.1m.

KUALA LUMPUR, likewise, saw volume shrink from a record 1.04bn shares to 512.5m as the KLSE composite index rose 1.29 to a new high of 662.02, a fraction higher on the week.

BANGKOK saw foreign buying and climbed by 1.6 per cent, the SET index closing 14.44 higher at 888.96, 3 per cent higher on the week, in turnover up from Bt3.1bn to Bt4.6bn.

AUSTRALIA closed mixed after a strong week, with banking and industrial stocks ahead and mines mostly easier as the All Ordinaries index eased 0.9 to 1,703.2, up 2.3 per cent on the week.

HONG KONG fell on profit-taking, the Hang Seng index finishing 57.70 lower at 6,732.04, still 7.1 per cent *higher on a week enlivened by* news of renewed Sino-British talks. Turnover was HK$5.68bn against Wednesday's record HK$7.74bn.

TAIWAN dropped 3.4 per cent on late selling after unconfirmed local media reports that the country might be included on a list of unfair traders by the US. The weighted index slid 161.30 to 4,534.19, 6.5 per cent lower on the week in turnover of T$42.87bn.

SEOUL tumbled as cautious investors pulled back before *the market could reach a new* high for the year, the composite index falling 9.90 to 706.86, 0.6 per cent up on the week, as volume rose from 50.9m to 63.2m shares.

BOMBAY picked up to close marginally ahead after a hesitant start. The BSE index finished 6.66 higher at 2,299.78 – or 0.4 per cent lower on the week - after recovering from the day's low of 2,259.71.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	THURSDAY APRIL 15 1993								WEDNESDAY APRIL 14 1993					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1993 High	1993 Low	Year ago (approx)
Australia (68)	143.67	-0.4	137.73	102.80	119.70	132.68	-0.1	3.72	144.19	137.70	103.86	119.31	132.83	144.19	117.39	145.62
Austria (18)	144.24	-0.7	138.28	103.21	120.17	119.72	-0.4	1.90	145.27	138.73	104.64	120.20	120.19	150.96	131.16	166.62
Belgium (42)	155.29	-0.1	148.87	111.11	129.37	125.80	+0.2	4.50	155.39	148.40	111.92	128.57	125.50	156.76	131.19	136.71
Canada (110)	122.67	+0.2	117.80	87.77	102.19	112.01	+0.0	2.97	122.42	118.91	88.17	101.28	112.00	125.97	111.41	130.42
Denmark (33)	213.15	-0.2	204.34	152.52	177.58	178.36	+0.7	1.29	213.62	204.00	153.87	176.75	177.16	213.62	185.11	231.77
Finland (23)	84.61	-1.1	81.11	60.55	70.49	98.82	-0.9	1.26	85.59	81.73	61.65	70.82	98.73	85.59	65.50	75.42
France (98)	164.23	-1.7	157.45	117.51	136.82	139.44	-1.1	3.23	167.12	159.58	120.37	138.26	140.97	167.36	142.72	155.24
Germany (62)	115.72	-0.4	110.94	82.81	96.41	96.41	+0.3	2.20	116.17	110.94	83.69	96.12	96.12	116.86	101.59	118.54
Hong Kong (55)	269.24	-0.6	258.11	192.65	224.32	267.21	-0.6	3.45	270.95	258.75	195.16	224.20	268.95	270.95	218.82	211.55
Ireland (15)	169.84	-0.3	162.82	121.53	141.50	156.67	+0.0	3.38	170.40	162.73	122.74	140.99	156.67	170.40	129.28	159.24
Italy (73)	62.23	-1.0	59.66	44.53	51.85	71.74	-0.7	2.75	62.85	60.02	45.27	52.00	72.26	64.28	53.78	70.19
Japan (470)	139.96	+0.4	134.18	100.15	116.62	100.15	-0.3	0.83	139.39	133.12	100.40	115.35	100.40	141.84	100.75	96.73
Malaysia (69)	297.88	-0.3	285.57	213.14	248.16	296.10	-0.3	2.26	298.85	285.39	215.25	247.26	297.06	298.85	251.66	232.61
Mexico (18)	1655.54	+0.1	1587.13	1184.63	1379.30	5607.65	+0.1	1.07	1654.22	1579.73	1191.53	1368.73	5603.16	1725.81	1410.30	1729.26
Netherland (24)	171.15	-0.5	164.08	122.47	142.59	140.61	+0.3	3.93	171.94	164.20	123.85	142.27	140.20	172.75	150.39	153.00
New Zealand (13)	46.84	-1.1	44.90	33.52	39.02	45.97	-0.7	4.76	47.36	45.23	34.11	39.19	46.28	47.36	40.56	43.22
Norway (22)	155.92	-0.3	149.47	111.57	129.90	143.64	+0.3	1.84	156.44	149.39	112.68	129.44	143.17	158.26	137.71	168.10
Singapore (38)	230.90	+0.7	221.36	165.22	192.37	173.12	+0.8	1.94	229.27	218.95	165.14	189.70	171.74	231.24	207.04	203.11
South Africa (60)	163.18	+0.7	156.43	116.76	135.95	172.98	+1.0	2.91	161.99	154.70	116.68	134.03	171.19	178.48	144.72	228.23
Spain (45)	130.09	-1.0	124.71	93.09	108.38	113.88	-0.4	5.34	131.35	125.43	94.61	108.68	114.18	131.72	115.23	148.99
Sweden (36)	164.84	-0.8	158.03	117.95	137.34	181.96	-0.1	1.85	166.20	158.71	119.71	137.52	182.13	168.80	149.70	183.80
Switzerland (56)	119.29	-0.4	114.36	85.36	99.40	108.12	+0.0	2.02	119.80	114.40	86.29	99.13	108.14	121.49	108.91	98.04
United Kingdom (219)	177.47	-0.4	170.14	126.98	147.85	170.14	+0.0	4.05	178.25	170.22	128.38	147.47	170.22	179.22	162.00	184.65
USA (519)	183.05	-0.1	175.49	130.99	152.52	183.05	-0.1	2.77	183.23	174.98	131.99	151.62	183.23	186.27	175.38	169.33
Europe (766)	146.09	-0.7	140.05	104.54	121.72	132.79	-0.2	3.37	147.06	140.43	105.92	121.68	132.99	147.81	133.92	146.61
Nordic (114)	156.81	-0.7	150.33	112.21	130.65	151.36	+0.1	1.65	157.87	150.76	113.71	130.62	151.29	157.87	142.13	171.94
Pacific Basin (713)	143.75	+0.3	137.81	102.86	119.77	106.08	-0.3	1.13	143.31	136.85	103.23	118.58	106.35	145.00	105.89	104.18
Euro-Pacific (1479)	144.59	-0.1	138.61	103.45	120.46	117.49	-0.2	2.05	144.72	138.20	104.23	119.74	117.74	146.03	117.26	121.36
North America (629)	179.30	-0.1	171.89	128.32	149.41	178.23	-0.1	2.78	179.46	171.38	129.28	148.51	178.40	182.38	171.51	166.88
Europe Ex. UK (547)	126.57	-0.8	121.34	90.59	105.48	111.62	-0.2	2.91	127.60	121.86	91.93	105.60	111.87	128.23	112.51	123.86
Pacific Ex. Japan (243)	181.34	-0.4	173.85	129.78	151.10	164.55	-0.3	3.30	182.08	173.88	131.17	150.67	165.05	182.08	152.70	157.91
World Ex. US (1667)	144.95	-0.1	138.96	103.73	120.77	119.31	-0.2	2.08	145.05	138.52	104.49	120.02	119.54	146.39	118.51	123.91
World Ex. UK (1967)	154.75	+0.0	148.35	110.74	128.94	135.78	-0.2	2.17	154.81	147.84	111.52	128.11	136.01	155.77	134.22	133.91
World Ex. So. Af. (2126)	156.83	-0.1	150.35	112.23	130.67	138.62	-0.2	2.35	156.97	149.90	113.08	129.89	138.85	157.88	137.29	137.71
World Ex. Japan (1716)	167.41	-0.3	160.49	119.80	139.50	160.51	-0.1	3.00	167.89	160.33	120.94	138.94	160.69	168.09	157.47	160.43
The World Index (2186)	156.75	-0.1	150.27	112.17	130.60	138.96	-0.2	2.35	156.87	149.81	113.00	129.81	139.18	157.83	137.32	138.29

Latest prices were unavailable for this edition.

LONDON SHARE SERVICE

BRITISH FUNDS

Notes	Price £	+ or -	1993 high	1993 low	Yield Int.	Yield Red.
"Shorts" (Lives up to Five Years)						
Treas 12½pc 1993‡‡	101⅛	-1/16	103 3/16	101⅝	12.30	5.81
Funding 6pc 1993‡‡	100⅛	----	100¼	99 31/32	5.99	5.83
Treas 13¼pc 1993‡‡	104⅝xd	-1/16	106 3/16	104⅝	13.14	5.83
8¼pc 1994	102⅛	-1/16	102 [illegible]	101 [illegible]	8.32	5.83
14½pc 1994‡‡	107¼	-1/16	109⅛	106⅝	13.52	5.84
Exch 13½pc 1994	107 [illegible]xd	-1/16	109 [illegible]	107 [illegible]	12.56	5.93
Treas 10pc Ln 1994‡‡	104 [illegible]	-1/16	105 [illegible]	104 [illegible]	9.59	6.08
Exch 12½pc 1994	108 [illegible]	-1/16	110 [illegible]	107 [illegible]	11.56	6.15
Treas 9pc 1994‡‡	104 [illegible]xd	[illegible]	105 [illegible]	103 [illegible]	8.64	6.18
12pc 1995	109⅛	[illegible]	111 [illegible]	109¼	10.97	6.34
Exch 3pc Gas 90-95	96¼xd	----	98¼	94	3.12	5.06
10¼pc 1995	108 [illegible]	[illegible]	109⅞	107⅝	9.49	6.39
Treas 12¾pc 1995‡‡	114⅝xd	[illegible]	116⅞	114 [illegible]	11.12	6.50
14pc 1996	118 [illegible]	[illegible]	120⅝	117 [illegible]	11.84	6.68
15¼pc 1996‡‡	122 [illegible]xd	[illegible]	125⅛	122¼	12.41	6.80
Exch 13¼pc 1996‡‡	117 [illegible]xd	[illegible]	120 [illegible]	118 [illegible]	11.28	6.80
Conversion 10pc 1996	110 [illegible]	[illegible]	111½	109	9.08	6.81
Treas 13¼pc 1997‡‡	120 [illegible]	-½	122 [illegible]	119 [illegible]	11.02	7.03
Exch 10½pc 1997	111 [illegible]	[illegible]	112⅝	110 [illegible]	9.40	6.96
Treas 8¾pc 1997‡‡	106¼	[illegible]	108 [illegible]	105½	8.20	6.95
Exch 15pc 1997	129⅝xd	[illegible]	132 [illegible]	128 [illegible]	11.57	7.21
9¾pc 1998	110 [illegible]	[illegible]	112⅝	109 [illegible]	8.83	7.14
Five to Fifteen Years						
Treas 7¼pc 1998‡‡	101 [illegible]	[illegible]	103¼	99 [illegible]	7.16	6.95
Treas 6¾pc 1995-98‡‡	99 [illegible]xd	[illegible]	101	97 [illegible]	6.77	6.84
15½pc '98‡‡	135 [illegible]	[illegible]	138 [illegible]	134 [illegible]	11.42	7.40
Exch 12pc 1998	120 [illegible]xd	[illegible]	122⅝	118 [illegible]	9.99	7.53
Treas 9½pc 1999‡‡	110⅛	-½	112½	108 [illegible]	8.63	7.32
Exch 12¼pc 1999	121 [illegible]	[illegible]	124 [illegible]	120 [illegible]	10.05	7.59
Treas 10½pc 1999	114 [illegible]xd	[illegible]	117 [illegible]	113¾	9.16	7.48
Conversion 10¼pc 1999	114 [illegible]xd	[illegible]	117 [illegible]	112 [illegible]	8.98	7.48
9pc 2000‡‡	108 [illegible]	[illegible]	110 [illegible]	106	8.31	7.43
Treas 13pc 2000	128 [illegible]	[illegible]	131	125½	10.15	7.85
10pc 2001	112 [illegible]	[illegible]	115 [illegible]	109 [illegible]	8.85	7.78
14pc '98-1	128¼xd	-½	129½	125 [illegible]	11.05	7.56
9¾pc 2002	112 [illegible]	[illegible]	114 [illegible]	108⅝	8.70	7.81
8pc 2003‡‡	101 [illegible]	[illegible]	103 [illegible]	97 [illegible]	7.91	7.83
10pc 2003	113 [illegible]	[illegible]	116 [illegible]	109⅝	8.79	8.01

BRITISH FUNDS - Cont.

Notes	Price £	+ or -	1993 high	1993 low	Yield Int.	Yield Red.
Treas 11½pc 2001-4	119 [illegible]	[illegible]	122 [illegible]	116⅞	9.59	8.05
Funding 3½pc '99-4	71 [illegible]	-¼	74 [illegible]	67 [illegible]	4.90	8.05
Conversion 9½pc 2004	110⅛xd	-⅞	112⅜	105⅞	8.63	8.13
9½pc 2005	110 [illegible]	[illegible]	112 [illegible]	105⅝	8.63	8.17
Treas 12½pc 2003-5	128¼xd	-⅞	131¾	124 [illegible]	9.71	8.36
8pc 2002-6‡‡	99⅛	[illegible]	101 [illegible]	94 [illegible]	8.05	8.10
Treas 11¾pc 2003-7	122 [illegible]	-¼	125 [illegible]	118 [illegible]	9.56	8.30
Treas 8½pc 2007‡‡	102 [illegible]	[illegible]	104¼	97 [illegible]	8.33	8.25
8½pc 2007 B‡‡	102 [illegible]	[illegible]	104 [illegible]	98½	8.33	8.25
13½pc '04-8	136 [illegible]	[illegible]	139⅝	131 [illegible]	9.90	8.37
Over Fifteen Years						
9pc 2008‡‡	106 [illegible]xd	-1 [illegible]	108 [illegible]	101¼	8.47	8.27
8pc 2009	97½	[illegible]	99¾	92 [illegible]	8.21	8.32
Conv 9pc Ln 2011‡‡	106½	-1¼	108 [illegible]	100½	8.53	8.41
9pc 2011 C(£50pd)‡‡	50⅞	-1 [illegible]	53 [illegible]	39¼	8.54	8.42
Treas 9pc 2012‡‡	105 [illegible]	-1⅛	108⅛	100 [illegible]	8.53	8.42
Treas 5½pc 2008-12‡‡	74 [illegible]	[illegible]	78 [illegible]	70¼	7.35	8.09
7¾pc 2012-15‡‡	94 [illegible]	-1⅛	97 [illegible]	89⅝	8.24	8.34
Exch 12pc '13-'17	132½	[illegible]	135 [illegible]	125 [illegible]	9.06	8.65
Treas 8pc 2013(£50pd)‡‡	45 [illegible]	-1⅛	47¾	45 [illegible]	8.39	8.45
Treas 8¾pc 2017‡‡	102 [illegible]	-1 [illegible]	105 [illegible]	97 [illegible]	8.52	8.48
Undated						
Consols 4pc	47⅛	-½	49⅛	43⅝	8.49	-
War Loan 3½pc‡‡	41⅜	[illegible]	42 [illegible]	38⅝	8.48	-
Conv 3½pc '61 Aft.	62 [illegible]	[illegible]	63	60⅞	5.61	-
Treas 3pc '66 Aft.	36⅛	-¼	38⅝	33½	8.30	-
Consols 2½pc	31⅜	----	31⅞	28⅝	7.97	-
Treas. 2½pc	29⅝	-½	30⅞	27 [illegible]	8.44	-

BRITISH FUNDS - Cont.

Notes	Price £	+ or -	1993 high	1993 low	Yield (1)	Yield (2)
Index-Linked (b)						
Treas. 2pc '94 (102.9)	133¼xd	[illegible]	133¼	131⅝	-	0.90
2pc '96‡ (67.9)	198½	[illegible]	197⅞	194 [illegible]	1.76	2.45
4⅝pc '98‡‡ (135.6)	108 [illegible]xd	[illegible]	109 [illegible]	105 [illegible]	2.23	2.77
2½pc '01 (78.3)	165 [illegible]	[illegible]	165⅝	159	2.72	3.04
2½pc '03 (78.8)	162 [illegible]xd	[illegible]	163 [illegible]	155	2.84	3.11
4⅜pc '04‡‡ (135.6)	110 [illegible]xd	[illegible]	111 [illegible]	105½	2.99	3.25
2pc '06 (69.5)	169⅛	[illegible]	170 [illegible]	159¼	3.01	3.22
2½pc '09 (78.8)	152 [illegible]xd	[illegible]	154 [illegible]	144	3.23	3.41
2½pc '11 (74.6)	157⅞	[illegible]	159 [illegible]	149 [illegible]	3.29	3.46
2½pc '13 (89.2)	129⅝	[illegible]	131⅛	122 [illegible]	3.36	3.51
2½pc '16 (81.6)	137 [illegible]	[illegible]	138 [illegible]	130 [illegible]	3.42	3.57
2½pc '20 (83.0)	132 [illegible]	[illegible]	133 [illegible]	124 [illegible]	3.48	3.60
2½pc '24‡‡ (97.7)	109 [illegible]	[illegible]	111 [illegible]	102⅞	3.51	3.63
4⅛pc '30‡‡ (135.1)	110	[illegible]	111 [illegible]	103¼	3.52	3.64

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to January 1987. Conversion factor 3.945. RPI for July 1992: 138.8 and for February 1993: 138.8

OTHER FIXED INTEREST

Notes	Price £	+ or -	1993 high	1993 low	Yield Int.	Yield Red.
African Dev 11⅛ 2010	121 [illegible]	[illegible]	123⅞	115⅞	9.14	8.84
Asian Dev 10¼pc 2009	114 [illegible]	[illegible]	116 [illegible]	108 [illegible]	8.94	8.54
B'ham 11½pc 2012	120½	----	123	114	9.54	9.21
Ireland Cap 8½pc '10	104½	----	104½	95	8.13	-
9pc Cap 1996	103¾	----	103¾	97½	8.67	-
13pc '97-2	117	----	117	110	11.11	-
Hydro Quebec 15pc 2011	144 [illegible]	[illegible]	146 [illegible]	139 [illegible]	10.39	9.73
Leeds 13½pc 2006	133¾	----	135¼	128	10.09	9.12
Liverpool 3½pc Irred	36½	----	37	34	9.59	-
LCC 3pc '20 Aft	32⅝	----	32¼	30½	9.16	-
Manchester 11½pc 2007	119	----	120¼	114	9.68	9.12
Met. Wtr. 3pc 'B'	67½	----	68	63¼	4.44	7.72
N'wide Anglia 3⅝pc 2021	126	----	126	117½	-	4.52
4⅛pc IL 2024	124½	----	124½	115½	-	4.34
Utd Mex States 16½pc 2008	136¾	----	138	132¼	12.07	11.34

Continued on next page

AMERICANS

Notes	Price £	+ or –	1993 high	1993 low	Mkt Cap£m	Yld Gr's
Abbott Labs	16⅞xd	+⅛	20⅛	15⅛	13,861	2.8
Allegheny & W ♥	521p	—	571p	389p	278.7	4.0
Amdahl	399p	—	591p	385p	444.7	1.7
Amer Cyanamid	32⅝	—	38⅝	31⅛	2,987	3.5
Amer Express	16⅞xd	–⅛	19½	14⅞	8,093	3.7
Amer T & T	38⅝xd	+⅛	46⅞	33⅛	51,689	2.3
Ameritech	50⅛	—	52⅛	45	22,801	5.0
BankAmerica	34⅛xd	+⅛	38⅛	28⅛	11,865	2.8
Bankers NY	49⅛xd	+⅛	51⅛	42⅛	3,993	4.3
Bell Atlantic	35	—	38⅛	32⅛	15,161	5.3
BellSouth	35½	—	38⅞	33½	17,537	5.4
Bethlehem Steel ♥	11⅛	–⅛	13⅛	10	986.4	–
Bowater	1448pxd	—	1682p	1335p	524.0	1.9
CPC	27½xd	+⅛	34⅛	27⅛	4,166	3.2
Cadiz Land Inc ♥	70p	—	115p	70p	–	–
California Engy	1372p	—	1478p	1088p	248.8	–
Chase Manhattan	29⅛xd	–⅛	24½	17⅞	3,717	3.5
Chrysler	27⅛xd	+⅛	28⅞	21⅛	8,181	1.5
Citicorp	19⅛xd	+⅛	20⅛	13⅛	7,105	–
Colgate-Palm	40⅛xd	+⅛	45⅞	35⅛	6,448	2.1
Cont'l Bank	1802p	—	1877p	1278p	1,821	2.3
Dana	31⅛xd	+⅛	34⅛	29⅛	1,435	3.5
Data General	711p	—	951p	681p	186.2	–
Decora Inds ♥	128p	—	148p	125p	–	–
Dun & Brad	38⅞	—	42⅛	37⅛	6,837	4.1
Eaton	57	—	58⅝	50⅝	1,976	2.7
Echlin	16⅞xd	+⅛	18⅞	15⅛	884.9	3.0
FPL	24⅝xd	+⅛	27⅛	23⅛	4,473	6.9
Ford Motor	35⅛	–⅛	35⅞	38⅛	17,297	1.9
Gen Elect	62⅛xd	+1⅛	62⅛	53⅞	53,119	2.8
General Host ♥	601p	—	723p	573p	–	4.1
Gillette	35⅛xd	–1	42⅞	35⅛	7,718	1.4
Hasbro	20⅞	—	20⅞	20⅞	1,815	0.8
Honeywell	21⅛xd	–⅛	24⅛	20⅛	2,856	2.9
Houston Inds	31	—	33⅛	29⅛	4,014	6.7
IBM	32	+⅛	38⅛	29⅝	18,258	4.6
Ingersoll-Rand	20⅛xd	+⅛	25	19⅛	2,115	2.4
Lockheed	41⅛	—	42⅞	35⅛	2,881	3.5
Lowe's h	2052p	—	2839p	1573p	1,497	0.9
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADIANS

[illegible]

BANKS

[illegible]

BREWERS & DISTILLERS

[illegible]

BUILDING MATERIALS

[illegible]

BUILDING MATERIALS - Cont.

Tarmac, Tilon, Trade Parkins, Tudor, Unigroup, Waterhouse, Wickes, Wolseley [illegible]

BUSINESS SERVICES

ADT $, Adam & Harvey, Air London, African Lakes, Asso'ted Sec, BET, BNB Res, BPP, Barbour Index, Black & Edg, Boustead, Bridgend, Brit Data Man, Brooks Service, CRT, Capita, Casket, Chiltern Capital, Christie Group, Chubb Security, Conrac, Corp Servs, Dart, Davis Service, EW Fact, Gardiner [illegible]

CHEMICALS

[illegible]

CONGLOMERATES

[illegible]

CONTRACTING & CONSTRUCTION

[illegible]

ELECTRICALS

[illegible]

ELECTRICITY

[illegible]

ELECTRONICS

[illegible]

ENGINEERING-AEROSPACE

[illegible]

ENGINEERING-GENERAL

[illegible]

ENGINEERING-GENERAL - Cont.

[illegible]

FOOD MANUFACTURING

[illegible]

FOOD RETAILING

[illegible]

HEALTH & HOUSEHOLD

[illegible]

HOTELS & LEISURE

[illegible]

HOTELS & LEISURE - Cont.

[illegible]

INSURANCE BROKERS

[illegible]

INSURANCE COMPOSITE

[illegible]

INSURANCE LIFE

[illegible]

INVESTMENT TRUSTS

[illegible]

INVESTMENT TRUSTS - Cont.

[illegible]

مكتبة من الأصيل

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

	Notes	Price	+ or -	1993 high	1993 low	Yld Gr's	NAV	Dis or Pm(-)
Scottish Inv	♣□	193½	—	201	183	3.8	232.1	16.6
Warrants	□	43	—	49	39	–	–	–
Scot Mortgage	♣†□	187	-1	201	178	2.8	218.4	14.4
Scot National Inc	♣□	91	—	95½	83	10.3	–	–
Cap	□	25	—	25	16	–	62.0	59.7
Stepped Pf		152¾	-½	155¼	150¼	5.8	–	–
Zero Div Pf		207	-½	212	207	–	–	–
Warrants		3½	—	5	3	–	–	–
Scot Value	†a	79½	—	79¾	71	2.8	74.8	-6.3
Sec Alliance	♣†	1430	-4	1503	1390	3.2	1597.5	10.5
Second Consld	□	104	-1	112	88	–	176.5	41.2
Second Market	§	324	—	324	258	0.6	367.8	12.1
Sec Tst Scot	♣□	81	-½	84½	74½	5.8	83.7	3.5
Select Assets		123	—	130	109½	1.2	167.6	26.6
Eq Ind Ser I		131xd	—	134	128	4.1	–	–
Eq Ind Ser II		131xd	—	134	128	4.1	–	–
SHIRESCOT	§H	121	-1	123	104	5.4	119.3	-2.3
Shires	♣	256	+1	262	231	8.0	248.8	-2.3
11pc Cv Ln '03/04		£124	—	£131½	£115½	8.9	–	–
Slant Select		133	+4	133	97	0.2	140.6	5.4
Warrants		37	+3	37	15	–	–	–
Smaller Cos	□	106	—	107	78	3.1	109.3	3.5
Warrants		27	—	27	14	–	–	–
Sphere Inc	□	20½	—	21½	14	19.6	31.1	34.0
Zero Div Pf		84¾	-½	85¾	80¾	–	–	–
Sumit		59	—	60	38	3.5	80.1	44.5
TR City of Lon	□	134½	—	140¼	126	4.5	128.9	-4.3
TR Euro Growth	♣□	102	—	109	76	1.7	113.6	10.7
Ptg Sub		55	—	58	27	3.1	–	–
TR Far East Inc	♣†□	131	—	139	112	4.3	133.3	2.1

Net asset values supplied by NatWest Securities Limited as a guide only. See guide to London Share Service.

INVESTMENT COMPANIES

Net asset values supplied by NatWest Securities Limited as a guide only. See guide to London Share Service.

MEDIA

MERCHANT BANKS

METALS & METAL FORMING

MISCELLANEOUS

MOTORS

OIL & GAS

OIL & GAS - Cont.

OTHER FINANCIAL

OTHER INDUSTRIALS

PACKAGING, PAPER & PRINTING

PACKAGING, PAPER & PRINTING - Cont.

PROPERTY

STORES

TELEPHONE NETWORKS

TEXTILES

TRANSPORT

WATER

SOUTH AFRICANS

PLANTATIONS

MINES

MINES - Cont.

	Notes	Price	+ or -	1993 high	1993 low	Mkt Cap£m	Yld Gr's
Ennex Intl IE	⁂□	4	—	5½	3¼	3.36	–
Europa Mnls		16	—	18	15	7.72	–
Glencar Expl IE	††	7	—	8	6	1.29	–
Greenwich Res	♣□	13	—	16½	5	10.0	–
Hemlo Gold CS		£24¾	—	25	£3½	458.0	2.1
Ivernia West IE	††□	50	-3	57	31	25.1	–
Kenmare	⁂□	8¼	—	8¼	5	7.93	–
Malinga Res		14	—	25½	14	1.54	–
Navan Res IE	♣	31	—	34	25	4.15	–
5pc Ln Notes		38	—	34	25	5.45	–
Oryx Gold		63½	—	71	47	–	–
RTZ	♣□	847½	-10½	789	634	8,500	4.0
Vaceya	♣□	5½	—	5¼	2¼	2.94	–

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- □ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ).
- ● "Tap Stock"
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♣ Free annual/interim report available, see details below.
- ⁂ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Not officially UK listed; dealings permitted under Rule 535(2)
- # Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield: p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme.

a Yield based on annualised dividend. b Figures based on prospectus or other official estimates. c Cents. f Flat yield. g Assumed dividend yield after rights issue. h Assumed dividend yield after scrip issue. n Rights issue pending. q Earnings based on preliminary figures. s Dividend yield excludes a special payment. t Indicated dividend yield, p/e ratio based on latest annual earnings. u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings. v Not subject to ACT. z Dividend yield includes a special payment. E Auction basis. F Yield based on prospectus or other official estimates for 1994-95. G Assumed yield after pending scrip and/or rights issue. H Yield based on prospectus or other official estimates for 1993. K Yield based on prospectus or other official estimates for 1992-93. L Estimated annualised yield, p/e based on latest annual earnings. M Yield based on prospectus or other official estimates for 1993-94. N Yield based on prospectus or other official estimates for 1992. P Figures based on prospectus or other official estimates for 1994. R Forecast annualised yield, p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend yield to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

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FINANCIAL TIMES
Weekend April 17/April 18 1993

Inflation rises to 1.9% as retailers lift prices

By Emma Tucker and James Blitz

THE rate of UK inflation nudged higher last month, buoyed by food, clothing and shoe price increases. Economists, however, believe the introduction of the council tax this month will have a downward influence on the retail prices index.

Prices rose by 0.4 per cent in March, compared with February, taking the annual rate to 1.9 per cent from 1.8 per cent. The underlying measure, which excludes mortgage interest payments, rose to 3.5 per cent in the year to March, from 3.4 per cent.

The latest figures indicate that retailers are more confident *about raising their prices as consumer confidence recovers.* Clothing and footwear prices, for example, rose by 1.9 per cent last month compared with February, and by 0.3 per cent year-on-year, the first increase in the annual rate *for four months.* Sharper food price rises than a year ago also affected the index.

The rise in inflation led dealers in the money markets to take the view that the UK government would not cut interest rates below the present 6 per cent.

For the first time since sterling left the European exchange rate mechanism in September 1992, prices in the sterling cash and futures markets implied that base rates would move upwards from their present levels.

Three-month interest rates in the sterling cash market – often seen as a bellwether of future rate movements – rose more than 1/16 of a percentage point to close at 6 1/16 per cent. The cost of borrowing sterling for one year moved up even more sharply, to 6 3/16 per cent, from a previous close of 5⅞ per cent.

The gilt-edged market also reacted badly to the news, with *long-dated gilts shedding a point* on the day.

The Treasury said it was "unconcerned" at the official figures from the Central Statistical Office. "We have said all along that there will be a slight rise in *the underlying rate as a result of* the devaluation of the pound, but there is still downward pressure on inflation," it said.

Mr Gordon Brown, the shadow chancellor, said inflation had started to rise. "By the end of the year it will be considerably higher than that of most other major industrialised countries."

Although prices often rise in April, it is possible that the annual inflation rate will drop back this month as the council tax replaces the poll tax. Council taxes are generally expected to be lower than the poll tax and statisticians said its introduction would exert a downward influence on the index.

Some economists, however, said the sharp increase in clothing and footwear prices heralded renewed inflationary pressures. Mr Leo Doyle, of Kleinwort Benson, said: "As the economy gathers strength, it is going to be harder to repress the inflationary potential that devaluation entails."

The official figures add to evidence that the UK economy is recovering. They come after a sharp monthly increase in manufacturing output, and a big rise in house sales in the first quarter of the year.

European banana war looms as Fyffes rejects bid

By Tim Coone in Dublin and Nikki Tait in New York

A RENEWED battle over market share in the European banana market loomed yesterday with the announcement by Fyffes, the UK and Irish fruit and vegetable distributor, that it had rejected a I£420m (£421.5m) bid for the company.

News of the approach, widely believed to have come from the *California-based* Dole Foods, drove up Fyffes' share price to around 130p. It followed two days of heavy trading in the stock as rumours grew of an imminent takeover bid. Dole said it had no comment to make on the Fyffes' announcement "at this stage".

The board of Fyffes said last night that, having considered the *approach,* "which may or may not" have led to an offer of I£1.15p per share, it decided "that the proposals involved in the approach are not in the best interests of the company or its shareholders and, accordingly, *the discussion has terminated".*

Fyffes has become a tempting takeover target for the three world leaders in the banana business, namely Chiquita (United Brands), Dole (Castle and Cooke) and Del Monte, which face substantial cuts in their access to the fast-growing EC market under new Community quota *arrangements due to be implemented* in July.

Under the arrangements, the cheap "dollar" bananas sourced in Central and South America by the three majors, which supply around 63 per cent of the European market, will face a quota limit of 2m tons.

Any excess triggers a tariff of *Ecu850 (£677) per ton, around 170* per cent. About 2.3m tons of "dollar" bananas were imported by the EC last year, two-thirds by Chiquita.

Fyffes stands to benefit strongly from the new quota arrangements. Mr Neil McCann, group chairman, said the new quota regime was vital for the *future of the company.*

A former UK subsidiary of United Brands, Fyffes was sold for I£29.4m in 1986 to FII, an Irish fruit distribution company built up by the McCann family from Dundalk, during the 1960s and '70s. Fyffes received a full listing on the stock exchange in 1987. At 1.15p per share, yesterday's bid *values Fyffes at around I£420m,* including some 60m convertible preference shares on top of the 278m ordinary shares.

Cash-rich Fyffes is a debt-averse, but acquisitive company. In 1990 it began a strategy to develop its own sources of "dollar" bananas in Central America, with a view to expansion in the *post-1992 European Single Market.*

See Lex

THE LEX COLUMN

Lacklustre gilts

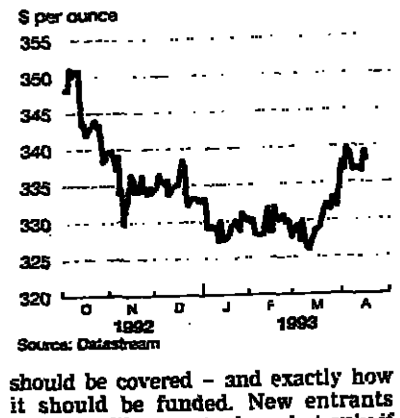
The UK authorities must be painfully aware that their borrowing programme leaves them little latitude to choose the timing of gilt auctions. Yesterday's announcement of a sale of short-dated paper came on a day of *disappointing inflation* figures at the end of a week in which the chancellor has reaffirmed his reluctance to cut interest rates. The inflation news may be less serious than it looks. Some impact on food prices from the green pound devaluation was inevitable and *it is natural for stores to limit* discounts on clothing and footwear as retail demand returns. That does not add up to a serious inflationary threat, but it was enough to unsettle long gilt prices. Since it also makes the prospect of lower base rates even more *remote, there is even less incentive* than before at the short end.

It is unclear where the natural demand for the new auction stock lies. This contrasts with the last sale when domestic institutions were queueing up to lengthen the maturity of their *holdings. The government must hope* the difference of nearly one percentage point between five-year gilts and three-month deposit rates will again attract hedged funds, but the gap may have to widen further to entice.

It would be different, of course, if *sterling's strength* were to change the government's mind on base rates. Then it could sell short gilts hand over *fist and the equity market might* awake from a lethargy which caused it to all but ignore Wednesday's manufacturing output figures.

FT-SE Index: 2824.4 (-15.3)

Gold price



Source: Datastream

Lloyd's insurance

Whatever the fine details of the business plan being prepared for the Lloyd's insurance market, it must not *fail to attract fresh capital.* A £2bn loss for the 1990 underwriting year would mean a serious erosion of capital. Lloyd's cannot be far from the point where it is simply not viable as a marketplace for big international risks. There is a good opportunity to attract corporate capital while insurance rates are hardening, but new entrants will need insulating from *mistakes of the past, such as long-tail* claims on pollution and asbestosis.

The idea of leaving underwriting years open right across the market seems to have been rightly dropped. That would have been unfair on profitable syndicates. A central fund to manage such long-tail risks would be a more equitable solution. What remains open is quite which risks should be covered – and exactly how it should be funded. New entrants might readily accept a levy, but only if they can expect a decent return on capital.

Tackling Lloyd's bloated cost base is thus an obvious place for the business plan to start. Central overheads are only part of the problem. The complex system of managing agents and members' agents entails too much duplication of effort. That leaves the sensitive question of pricing, especially the solvency requirements applied to different forms of capital. If that can be *cracked too,* Lloyd's would have at least a fighting chance.

Gold

It is tempting to see a connection between the $10 rise in the gold price in the last six weeks and the first mutterings about the inflationary consequences of recovery. Fighting infla*tion has taken second place to restor*ing growth as a priority of economic policy, not only in the US but also in the UK and in Japan. In theory that should be good for gold. The bullion market may be saying that the inflationary risk should be taken seriously.

Over a slightly longer period, though, the signal is not very strong. Gold is still $20 short of its 1992 high *and there are other reasons for its* lustre, the latest being fresh political worries in South Africa. In the background is strong demand for jewellery use, particularly in Asia. The crisis in Russia also makes the D-Mark less attractive as a financial investment. Gold, like the Swiss franc, has increased in relative attraction as an alternative to the dollar. These factors *might* underpin its price without any discussion about inflation, but they are offset by the threat of sales by central banks. More striking is the trend in currencies other than the dollar. Take the commercial rand for instance. After averaging R980 an *ounce last year,* the price has risen to R1080, enough to make a significant impact on the margins of South African producers. As long as supply is not disrupted, mining stocks may continue to offer a better return than the metal itself.

Fyffes

The prospect of a slice of the banana market changing hands quickly has slipped away with the rejection by Fyffes' board. It remains to be seen whether the putative bidder will return for a more aggressive bite. If one of the large American companies *is interested, the temptation* must be strong. The new EC regime has cut the market share of dollar-based producers and handed it on a plate to Fyffes and Geest. US companies – particularly Dole, which is the best placed – must be tempted to buy that quota back. Geest has its own dollar-based plantations, so would not offer an outlet for more US bananas. Fyffes is thus the more *tempting target.*

Presumably the Fyffes' board faced a nice calculation. On the one hand, it might not be sensible to sell out when earnings are about to jump. On the other, the company is probably at its most attractive to a US acquirer now. The EC quota *system may,* after all, be eased in future. If the McCann family wishes to sell its holding, it may not get a better moment. Perhaps the offer was seen as inadequate. In which case the board must hope that the buyer's taste for bananas encourages him back at a fuller price.

Queens Moat

There is logic in the removal of Queens Moat Houses from the FT-SE *Mid 250 index at a nominal price of 1p.* Its current value is zero because holders cannot sell. However, assuming the quotation will eventually be reinstated at a higher price, the move amounts to an unintended distortion of the index which will come as a blow to the infant derivatives market. The problem could be avoided if the suspension was lifted, allowing the market to establish a clearing price. US investors do not expect to be trapped by such long suspensions.

Row over Tarmac plan to give stake to US concern

By Roland Rudd and David Owen

TARMAC, the UK construction group, was embroiled in a political row yesterday over its plan to give a US group a 50 per cent stake in PSA Projects, the building design division it bought from the government five months *ago.*

The Labour party immediately attacked the proposed joint venture with Black & Veatch, saying it was "tantamount to handing over a subsidy to an American company for British public-sector assets".

Mr Doug Henderson, shadow local government minister, said he *had written to Mr John Red*wood, his opposite number at the Environment Department, asking when the government had become aware that Tarmac had "no intention" of operating PSA Projects and whether it now proposed to act.

The sale of PSA Projects – formerly part of the state-run Property Services Agency – to Tarmac proved controversial because of unexpectedly high costs to the taxpayer.

It involved a government pay*ment to Tarmac of £54.9m to* cover unpaid bills and to meet the cost of putting the business on a commercial footing, and a further £40m to cover costs of redundancies.

The Environment Department dismissed Labour charges, saying: "Those monies are not going to Black & Veatch".

It said: "We were not conned: we knew about the relationship. The obligations that were made to staff remain exactly the same as they were."

Its officials, it said last night, were aware that Black & Veatch had been interested in PSA Projects at the time of its deal with Tarmac last November. However, the department said the proposals for equal control were a recent development.

Tarmac said the government subsidies were to develop the *maximum number of jobs in PSA* Projects and guarantee the terms and conditions of the workforce. It said: "To suggest otherwise is nonsense."

Tarmac is unlikely to pay Black & Veatch a consideration for a stake in PSA Projects.

Instead, the UK materials and construction group expects to *double its £50m fee income from* PSA's capital projects, at present worth about £3.5bn.

Black & Veatch is expected to be given an immediate role in PSA Projects.

EBRD is told to provide spending details

Continued from Page 1

obtained for all elements.

He said it was "it was not necessarily appropriate" to order more modest furnishings. "We got beautiful offices for a useful price," he said. "Maybe we should have made the offices *look ugly [to ward off criticism]."*

One director said proposals to change the budget-making process would be implemented after the annual meeting beginning next weekend. Proposals cover the drawing up of the budget and surveillance to ensure costs are being controlled.

A number of directors, including those from Canada, Australia and the UK, have been concerned *that the bank's control of over*heads should be tighter.

Mr Ljungh said the bank's investments in the money markets had been so successful last year that all the bank's running costs of Ecu92.8m were covered by interest earnings and dealing costs.

The bank made a profit of Ecu3.8m before Ecu10m provisions to cover possible losses on investments in Eastern Europe *and the former Soviet Union. Its* net loss for the year of Ecu6m was Ecu40m better than it had been expecting, he said.

US threat as Serbs close in

Continued from Page 1

them off ourselves," he said in a series of television interviews.

Mr Hurd said the British government was not ruling out air strikes, "but we would have to be clear how they would help." He expressed the fear that such a move would have to be followed by a long drawn-out involvement of foreign ground forces in the Bosnian conflict.

Mr John Smith, Labour leader, publicly backed Lord Owen's proposals for air strikes. Mr Smith said Serb forces in Bosnia should be given an ultimatum that unless the killing of Bosnian Moslems stoped immediately, the UN would start air strikes on *supply and communication lines.*

Both the British government and Lord Owen have strongly opposed the suggestion made by Baroness Thatcher, former prime minister, that the UN arms embargo against the rump Yugoslavia should be partially lifted to help the Moslems. The result of such action would prolong and intensify the conflict, they claim.

Meanwhile Mr Radovan Karadzic, the leader of the Bosnian Serbs, stressed yesterday that Serb units would not try to take Srebrenica, which was reported to be on the verge of surrender, if *its Moslem defenders agreed to* disarm.

Lloyd's pins hopes on rejig

Continued from Page 1

Senior members of the board now acknowledge that the losses in that year – the latest under the Lloyd's three-year accounting system – will total more than the £2.06bn it suffered in 1989.

Mr David Rowland, chairman, and Mr Peter Middleton, chief executive, want the business plan to be presented before June to a meeting of all the market's participants.

The market has suffered a sharp decline in its capital base in recent years, but with insurance rates rising and the pros*pect of profits returning, infor*mal contacts are understood to have shown up a substantial *interest among potential corpo*rate investors.

The plan is also understood to include a reinsurance scheme allowing syndicates to reduce the uncertainty arising from old liability policies, from which claims are continuing to emerge.

Syndicates would make a one-off payment to pass the risk associated with such policies to a centrally managed fund. Council members believe such a scheme would greatly reduce the uncertainty overhanging the market.

The Lloyd's plan involves a radical restructuring of the *market's agency system to reduce* costs.

CHIEF PRICE CHANGES YESTERDAY

FRANKFURT (Dm)

Rises			
Holzmann Ph	1105	+	18
Mannheim Vers	748	+	9
Falls			
Asko	613	–	16.8
Linotype-Hell	444.5	–	8
Porsche	523	–	13
Springer Axel	535	–	15

New York ($)

Rises			
Morgan (JP)	73¾	+	2
Storage Tech	25⅝	+	3½
Falls			
Coca-Cola	38¼	–	1⅛
Gillette	49	–	5
Pepsico	37⅛	–	1¼
Wal-Mart	27⅛	–	½

New York prices at 12.30pm

Paris (FFrs)

Rises			
Fonc Lyonnaise	674	+	24
Seb SA	445	+	10
Falls			
BSN	945	–	12
Bouygues	687	–	11
Gaumont	550	–	28
Worms Cie	276	–	9.1

Tokyo (Yen)

Rises			
Mazda Motor	601	+	51
Nikko Elec	389	+	28
Tokai Senko	904	+	100
Falls			
Kinki Sharyo	633	–	37
Ricoh Elemex	1380	–	80
Sanshin Elec	1460	–	160

London (Pence)

Rises			
BICC	358	+	13
British Steel	94¾	+	3¼
Fyffes	123	+	23
Helene	24½	+	2½
Henly's	121	+	11
IWP	283	+	18
Jessups	93	+	5
Kewill Systems	169	+	19
NFC	248	+	7
RMC	651	+	22
Falls			
Avesco	83	–	5
British Telecom	411	–	9½
Cable & Wireless	729	–	13
Campari	215	–	8
Cannon St Invs	7¼	–	2½
Chrysalis	61	–	4
Downiebrae	64	–	6
Hartstone	108	–	16
Intl Food	65	–	5
P & O	547	–	15
Sherwood Computer	294	–	20
Thames Water	513	–	13
Yorkshire TV	184	–	9

World Weather

UK Today: Southern and eastern counties of England will brighten after early cloud and it will be bright and sunny over north-east coastal regions. Other areas will be sunny at times, but will see some showers. These will be heaviest over northern Scotland.

		°C	°F																
				Cairo	S	39	102	Inverness	C	13	55	Milan	S	17	63	Salzburg	C	11	52
Ajaccio	S	16	61	Cape Town	S	20	68	Isle of Man	R	9	48	Montreal †	C	12	54	S'Francisco †	C	11	52
Algiers	C	13	55	Cardiff	C	12	54	Istanbul	S	22	72	Moscow	S	1	34	Seoul	S	17	63
Amsterdam	S	14	57	Chicago †	C	3	37	Jersey	F	12	54	Munich	F	11	52	Singapore	R	31	88
Athens	S	23	73	Cologne	C	9	48	Johannesburg	F	19	66	Nairobi	C	25	77	Stockholm	S	10	50
Bahrain	S	27	81	Copenhagen	S	7	45	Las Palmas	C	20	68	Naples	F	12	54	Strasbourg	F	15	59
Barcelona	S	16	61	Corfu	F	17	63	Leeds	F	13	55	Nassau	F	28	82	Sydney	R	17	63
Beijing	S	25	77	Dallas †	S	7	45	Lisbon	S	18	64	Newcastle	C	12	54	Tangier	S	19	66
Belfast	R	10	50	Dublin	F	12	54	Locarno	F	20	68	New Delhi	S	31	88	Tel Aviv	S	35	95
Belgrade	R	12	54	Dubrovnik	C	16	61	London	C	13	55	New York †	C	12	54	Tenerife	C	19	66
Berlin	F	13	55	Edinburgh	R	12	54	Los Angeles †	S	13	55	Nice	F	16	61	Tokyo	F	19	66
Bermuda	C	22	71	Faro	S	20	68	Luxembourg	C	12	54	Nicosia	S	24	75	Toronto †	C	10	50
Birmingham	F	13	55	Florence	F	17	63	Madeira	F	18	64	Oporto	S	16	61	Tunis	C	19	66
Blackpool	S	13	55	Frankfurt	S	15	59	Madrid	F	15	59	Oslo	C	7	45	Valencia	F	19	66
Bombay	S	30	86	Geneva	C	11	52	Majorca	R	15	59	Paris	S	13	55	Vancouver †	F	8	46
Bordeaux	F	13	55	Gibraltar	S	19	66	Malaga	S	22	72	Perth	F	29	84	Venice	S	16	61
Boulogne	C	9	48	Glasgow	R	9	48	Malta	S	22	72	Prague	F	12	54	Vienna	F	13	55
Bristol	C	13	55	Guernsey	F	11	52	Manchester	F	12	54	Reykjavik	S	3	37	Warsaw	F	9	48
Brussels	S	13	55	Helsinki	S	6	43	Melbourne	C	16	61	Rhodes	F	21	70	Washington †	F	18	64
Budapest	F	14	57	Hong Kong	F	26	79	Mexico City	C	27	80	Rio de Janeiro	F	34	93	Wellington	S	16	61
Buenos Aires	C	23	73	Innsbruck	C	8	46	Miami †	F	25	77	Rome	F	14	57	Zurich	T	9	48

Temperatures at midday yesterday † Noon GMT temperatures C-Cloudy Dr-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sunny Sl-Sleet Sn-Snow T-Thunder

Registered at the post office. Printed by St. Clements Press for and published by The Financial Times Ltd., Number One Southwark Bridge, London SE1 9HL.

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Weekend FT

SECTION II

Weekend April 17/April 18 1993

On song at the opera

Covent Garden has confounded its detractors but the once-mighty ENO is in decline, says ***Antony Thorncroft***

JEREMY ISAACS, general director of the Royal Opera House in London's Covent Garden, can look forward to his dinner tomorrow night. While his colleagues among the arts world glitterati in the Great Room at London's Grosvenor House will be awaiting nervously the announcement of the annual Laurence Olivier awards for excellence in British theatre, opera and dance, Isaacs is serenely confident.

Not for him the stomach-churning moment when the winning envelopes are opened and success or failure becomes public property. The reason is that all eight nominations in the opera categories are for productions or performances which took place at Covent Garden in the past year.

For Isaacs, it is a change in fortune that would be meat and drink to one of Verdi's tragic heroines. Last summer, not only were the daggers out for the combative Scotsman – but they were entering right between his shoulder blades.

The media was full of an orchestrated campaign criticising his management of Covent Garden and suggesting that an Arts Council investigation – chaired by Baroness Mary Warnock, former Mistress of Girton College, Cambridge – would produce an extremely critical report. The hostile headlines were timed to influence the board of the ROH as it considered whether to renew his contract.

In the end, the board wavered only slightly under the pressure and extended Isaacs' contract for two rather than three years, until 1995. And the Warnock report, although censuring Covent Garden for giving artistic considerations priority over finance (not in itself a heinous attitude for an opera house), was not totally negative. The would-be assassins melted away and Isaacs ran up many successes.

On Wednesday, he put on a typically bullish performance for the media, announcing a profit for the year of £750,000 (reduced to £266,000 by contingency payments towards early retirements and redundancies) and audiences over the year of 85 per cent of capacity for opera and 86 per cent for dance. He also confirmed that the Covent Garden board was determined to go ahead with its controversial £150m re-development programme for the opera house and its surrounds, despite the marked lack of enthusiasm shown for the project by Warnock and the council, Covent Garden's main paymaster.

There was even some speculation that Isaacs would be able to announce this week that the funding for the "new" Covent Garden, which involves modernising a backstage mechanical system that predates the first world war, was actually in place; but it was not to be. A meeting last month with John Major, the prime minister, produced expressions of goodwill but not a firm promise to deliver the £45m the ROH is seeking from public funds. It is pledged to raise a matching £45m itself, with the remaining £60m coming from an adjacent commercial development. But Isaacs' willingness to pursue the project publicly suggests that Covent Garden is confident the scheme will go ahead.

A few hundred yards down the road at the Coliseum, Peter Jonas, director of the English National Opera, also has experienced the vicissitudes of fortune. While Covent Garden could do little right, the ENO was riding a critical high. Just before last year's general election, its success in attracting a new, and younger, audience to its acclaimed productions, always sung in English, was rewarded by the government with the gift of the Coliseum's freehold, worth £11m.

It marked a fitting climax to the nine-year reign of Jonas, who had previously announced he was quitting this summer to take over as supremo of the Bavarian State Opera in Munich. He seemed to be handing over the musical success story of the age to his successor, Dennis Marks, head of music programmes at BBC Television. Even when the ENO took considerable risks, such as a season devoted solely to 20th century operas, the challenge succeeded.

In the past few months, though, the ENO has lost its glitter. The critics have started to quibble at the perverse modernistic gloss – often involving a tilted stage – endemic among its new productions and audiences have been deserting the Coliseum in worrying numbers.

The failure to win even one nomination for the Olivier awards was confirmation that Marks takes over a nervous ENO, troubled both artistically and financially. Audiences this season are down from around 80 per cent to nearer 65 per cent and the Coliseum reported an annual loss of £1m, building towards an accumulated deficit of £2.4m.

By its very nature, opera, as the most expensive and exaggerated of art forms, always attracts dramas (not to say melodramas) and recent events in London are tame compared with the traumas in Milan, where the local audience turned against its former hero and booed Pavarotti loudly; and Paris, where the new Bastille opera house has been dogged by strikes, resignations and vast deficits. Yet, beneath the superficial story of an heroic figure defying hostile forces and subduing them, the recent history of Covent Garden has a more sinister sub-plot.

Last year, for the first time, there was questioning at the very heart of the arts establishment as to whether Covent Garden need continue to exist. Its annual grant of £19.5m was a sizeable slice of a total Arts Council budget of £226m: think how many new arts ventures could be nurtured on this sum, said the critics. The populists also were shocked by Isaacs' attempt to solve the ROH's ingrained financial problems by raising prices way above the rate of inflation, so that a top seat for opera could easily cost over £100.

Lord Palumbo, the chairman of the council – who has pioneered the idea of big building projects to celebrate the millennium – was enthused by a new national opera house to rise up on London's South Bank, where the capital's big concert halls are sited. A modernised Covent Garden seemed a second-best use of scarce resources.

Isaacs' opponents seized upon some lacklustre new productions, plus a series of disputes with orchestra and chorus which suggested Isaacs was heavy-handed in labour relations. They also claimed he had an easy-going attitude to financial controls. At the same time, they could point to the Coliseum as an opera house for the age, contemporary in approach and attracting a new audience at popular prices. But, at the crunch last summer, Covent Garden could still call enough well-connected friends to its defence, and the improvements in programming came through in time to charm critics and audiences alike. Now, the scenario has changed radically.

Not that Covent Garden is totally free of problems. The makings of a deal are in place, but they depend on the present run of good fortune continuing. The government seems inclined to allocate some of the proceeds from the proposed national lottery, which should come on stream by the end of 1994, towards the re-building fund.

In return, Isaacs will eliminate the £3m deficit by the 1995-96 season. This will be achieved by fewer new productions, a safer repertoire, and clever programming involving more matinees, popular revivals, and an acceptance of the Warnock recommendations on reducing operating costs. But the ballet company seems destined to continue as the poor relation, starved of the funding needed to increase the number of dancers to an acceptable performing level, and of fresh productions. This reflects its position as the inferior revenue-spinner.

Isaacs also has promised that his successor should be in a position to accept that the modernisation of the opera house will enable savings to be made backstage, especially in overtime payments. This could increase the number of performances and, along with an additional 113 seats, reduce the size of the annual grant, thus saving the government money in the long run.

His hand has been much strengthened by the support of two rich patrons: Lord Sainsbury, the supermarkets tycoon, and Vivien Duffield, who oversees the charitable foundation set up by her late father, businessman Sir Charles Clore; they have pledged most of the £45m to be contributed by Covent Garden.

The recent visits by the company to the Far East have paid off handsomely, too, not only in lucrative sponsorship deals but in uncovering a Japanese benefactor whose contribution of £2.5m will help to ensure that the deficit is paid off by 1995-96.

There are obvious pitfalls ahead. The staff accepted a pay freeze last year and will be asked to accept a minimal increase, if that, this year. They may feel they have been squeezed enough. On top of this, the reductions in overtime could mean employees have less time to spend on quality control in productions.

The experience of the ENO suggests that audiences are very fickle. In a recession, too, they are more selective in their occasional visits to the opera. So far, the ENO has suffered most because its policy of extra performances of popular revivals lost it the support of those discriminating opera-goers who went to the Coliseum for an intriguing experience.

The Covent Garden audience probably is richer and more conservative and has, to date, accepted more evenings of *Madama Butterfly* and *La Bohème*. But its patience could be exhausted soon, especially as seat prices next season have been raised by 4 per cent, making an average price of £62 for an opera performance. At the ENO, the top performance price is £39.

■ Continued on page XV

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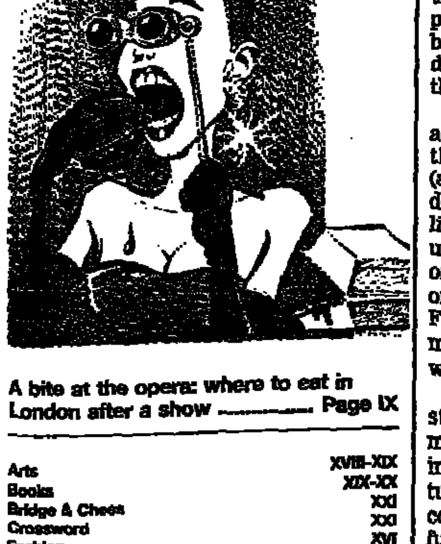
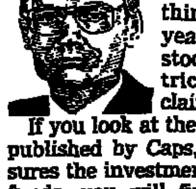


The Long View/**Barry Riley**

Getting high on drugs



MANY BRITISH fund managers did something remarkable last year – they beat the stock market. It is a trick far more often claimed than achieved.

If you look at the performance figures published by Caps, a firm which measures the investment returns of pension funds, you will find that the median return on UK equities in 1992 was 22.4 per cent whereas the return on the All-Share Index was 20.6 per cent. Over ten years, however, these pension funds have only performed just about in line with the All-Share, and have underperformed foreign equity markets by about 2 per cent a year.

Have fund managers at last got their act together? In fact it looks as though their gains resulted from favourable patterns in the market rather than from bursts of new inspiration. There are detailed explanations, one of which is the pharmaceuticals effect.

Briefly, Glaxo and Wellcome together account for a significant percentage of the aggregate value of UK equities (about 5¼ per cent at the end of 1992, down from 7 per cent 12 months earlier). They have a detectable influence upon the UK market indices but many of their shares are owned by foreigners or in Wellcome's case by the Wellcome Foundation. In the jargon, UK investment institutions tend to be underweight in pharmaceuticals.

It follows that when drugs shares are strong the British fund managers mostly fail to keep up with the market indices, but when Glaxo and Wellcome tumble, as they did in 1992, and have continued to do in 1993 so far, British fund managers can hardly help beating the market. If you meet a fund manager he may prefer to describe this effect more positively but opaquely as "stock selection" or "sector rotation".

In fund management things are rarely quite what they seem. Investors spend too much time chasing the impossible and too little pursuing achievable, if duller, objectives. Such thoughts are stimulated by a re-reading of Charles Ellis's book *Investment Policy: How to Win the Loser's Game*, in its new US-published second edition. Although Ellis, a top US investment services consultant, originally wrote the book for a professional audience he has added a chapter for private investors. He says, for instance, do not add up your wealth more than three or four times a year or you may get too caught up with what the crowd are doing.

Choosing stocks to beat the market is the classic case of hope triumphing over experience. Between 1970 and 1990 over 75 per cent of professionally managed funds in the US underperformed the broad measure of the US stock market, the S & P 500. Of course, some managers appear to do well: over the past five years the best UK pension fund managers have outperformed the average fund by about 3 per cent a year. But will they do so over the *next* five years? It would be very surprising.

Fund managers have manoeuvred themselves into the strange position of offering almost guaranteed disappointment. Other professionals do not fall into this trap: your doctor and lawyer do not promise to beat their peers, just that they will do a competent job. But the competent fund manager who does an average job will underperform his over-ambitious benchmark and will eventually be sacked.

The only reliable way to achieve higher returns is to invest in higher-risk assets – in equities, say, rather than fixed interest bonds, or bank deposits. But this only works in the long run. And it only works if you can tolerate a sudden market setback without being forced to sell at the bottom.

British pension funds are valued on a smoothed-out actuarial basis, and can accept a lot of risk, so can have a high equity exposure. US funds are valued at market prices, are less risk-tolerant and must therefore have a high proportion of fixed interest securities. Thus, creating the right framework is much more important in the long run than picking an ace investment manager who promises to perform better than all the others (he may well produce some historical figures to back up his claims).

Risk is often ill-understood by professional investors, let alone by amateurs. Private investors live in dread of another 1987 crash, although from a long-run perspective Black Monday's collapse was just one of those temporary misfortunes which must be expected from time to time.

Retail investment institutions are currently doing a roaring trade in guaranteed products which offer downside protection against a stock market setback. Often these make ingenious use of the futures markets. But is there really any point? The market pays equity investors to accept risk. These fancy products often lose four or five points of gross annual return, of the same order as the extra return available on equities compared with bonds. Moreover there are early surrender penalties, plus an unquantifiable risk that the guaranteed returns will not actually be delivered because of market failures in a crisis, as happened in the US with so-called "portfolio insurance" during the 1987 crash. It might be better to opt for lower-risk non-equity products in the first place.

Private investors, Ellis points out, also usually fail to understand the risks involved in high stock market valuations. For the long-term investor it is best that share prices stay low, so that the future stream of dividends can be bought more cheaply. However, private punters prefer to buy into a rising market which creates a glow of prosperity but offers poorer and poorer value. On the other hand they shun a weak stock market even though it offers greater future rewards. It is, of course, difficult to avoid mixing up short-term valuations with long-term objectives: we all like to make a quick paper profit.

In any case, your friendly fund manager will generously offer to take your money and beat the market for you. After all, look at what he did last year...

MARKETS

London

Sometimes, a Mars bar just isn't enough

By Peter Martin, financial editor

LIKE those British walkers stranded in the Caucasus, the stock market has been getting by this week on a handful of Mars bars and a bit of melted snow.

Not surprisingly, it has failed to put on weight in the process: the FT-SE 100 index closed yesterday at 2824.4, up only 2.6.

The Mars bars were the week's tasty economic statistics; the melting snow came with indications that customer attitudes to price rises were thawing.

The most important economic figures were Wednesday's statistics for manufacturing output in February, which showed a 1.2 per cent rise over the previous month. The rise – the third successive monthly increase – took manufacturing output to its highest level for 18 months.

Other equally tasty indicators were a sharp improvement in business expectations of sales in the current quarter, recorded in a survey of 2,000 companies by Dun & Bradstreet; and a healthy rise in air traffic in March. Estate agents reported good business over the Easter weekend, traditionally the start of the year's house-hunting season.

Customers' softer attitude to price rises showed up in announcements from basic materials companies. British Steel announced its second round of price increases this year, after price rises implemented in recent weeks were accepted by customers. And RMC and Blue Circle said they planned to raise prices for building materials such as sand, gravel and concrete.

These signs provided welcome confirmation of the recovery the stock market has been expecting since sterling left the ERM seven months ago this week. They were greeted as appetising mouthfuls: the FT-SE 100 index jumped 25 points on Tuesday, the day the Dun & Bradstreet numbers were announced, and British Steel gained 16 per cent on the week, to close at 94¾p. But the market is still looking for the more lasting sustenance that will allow it to move from the trading range in which it has been trapped since January.

Perhaps it has been looking in the wrong place. That is the implicit message of the equity analysts at S.G. Warburg Securities, who point to an apparent irrationality in the way investors have been treating different sectors.

The chart shows the best performing sector of the past seven months, Contracting and Construction, which has outperformed the FT-Actuaries All-Share index by 45 per cent since Britain left the ERM. Some of the individual stocks in the sector have doubled.

The Warburg analysts point out, though, that there is as yet no evidence of construction activity recovering. Any revival in housebuilding, they say, is likely to be swamped by further falls elsewhere. "This must raise questions about the scale of the rally in the construction sector since last autumn," they add.

Other sectors where there is more substantial evidence of economic improvement have yet to show the same stock market performance. The big gainers in terms of manufacturing output, according to Wednesday's figures, have been the pharmaceuticals and computer industries. Capital equipment producers have also done well: investment goods output was 2.6 per cent higher in the first quarter of 1993 than in the preceding three months, and 4.1 per cent higher than a year ago.

In stock market terms, though, there is little sign of companies in these sectors significantly outperforming their peers. Indeed, the pharmaceuticals companies continue to be the market's dogs, as evidenced by Glaxo's 3.3 per cent fall in heavy volume on Tuesday merely because US fund manager told a New York magazine that he disliked the stock.

The Warburg analysts put down these anomalies to investors' recent obsession with high-yielding shares, an enthusiasm which they view as misplaced, since there is little dividend growth to come from such companies in the foreseeable future. "At best many of the sectors and stocks which have led performance tables recently are perhaps best regarded as 'fixed interest' securities in yield terms," they say, rather sniffily.

The comparison with bonds is an interesting one, since it goes some way to explain what has happened since September. The stock market slid last summer after its post-election rally because it had started to fear that sterling's ERM membership would prove a Doomsday machine for British industry.

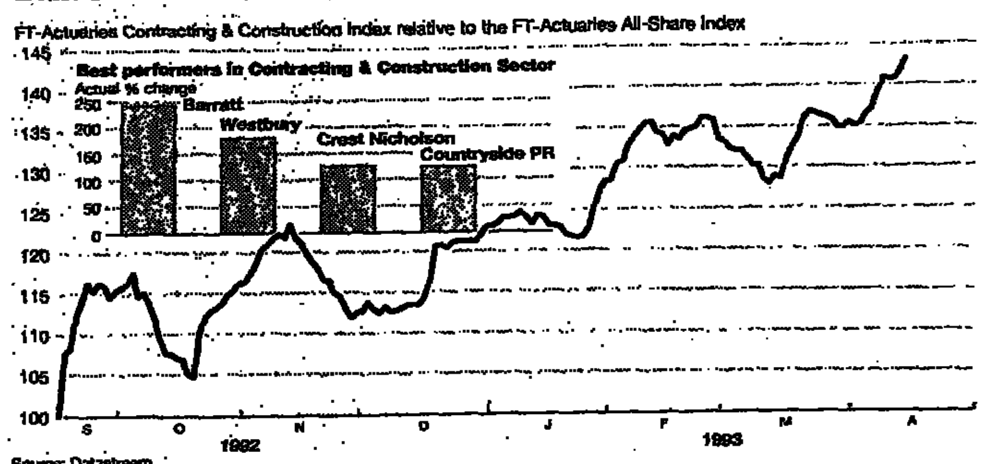
Devaluation dismantled the machine. High-yielding shares, the ones closest to the machine's jaws, benefited most. "Fixed-interest" securities they may be; but in bond market terms they had just received a significantly upgraded rating. Their subsequent share-price performance reflects that fact.

Still, seven months is a long time in stock market terms; by now you might have expected investors to have moved on, to be looking for those specific sectors that stand to do well from the pattern of this particular recovery. Instead, the market still seems to be looking backward.

It has an excuse. The awful effects of the past three years are still showing up in company figures: Forte cut its dividend this week for the first time in two decades, reporting pre-tax profits after exceptionals for the year to January 31 of £164m, propped up by the £275m sale of its Gardner Merchant contract catering business.

And Queens Moat Houses, still suspended, dropped out of the FT-SE Mid 250 index. The change produces a one-off reduction in the index of 10½ points – a reminder that, even though the stock may eventually come back to the market at a higher figure, some £439m of shareholders' wealth is up in the air. Queens Moat is still trying to make its figures add up; its shareholders are on the accountant's version of a walking tour of the Caucasus.

Builders' shares since Black Wednesday



Source: Datastream

HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1993 High	1993 Low	
FT-SE 100 Index	2824.4	+2.6	2957.3	2737.6	Economic recovery hopes
Anglian Water	505	-41	553	460	Profit-taking/switching
Bespak	550	-128	707	550	Impending distribution problems
Blue Circle	241	+14	244	189	Div held/cement price rise
British Steel	94¾	+13¾	97	54	Increase in steel prices.
Eastern Elect	466	-26	496	399	Switching to cyclical stocks
Forte	195½	+12½	209	170	Market discounts div. cut
Glaxo	554	-18	801	545	US selling
HSBC (HK$10 stk)	611	+26	634	474	Stronger Hong Kong market
ICI	1190	+47	1284	1048	PaineWebber upgrade
Mirror Group	132	+11	132	88	Advertising confidence
RMC	651	+43	659	555	Prelims.exceed forecasts/price rises
Redland	455	+21	499	402	Enhanced scrip dividend
Southern Elect	462	-30	496	406	Profit-taking
Thames Water	513	-43	563	468	Profit-taking/switching

Serious Money

Steering a safe course offshore

By Philip Coggan, personal finance editor

THE WORLD of the offshore fund is one which many UK investors choose not to explore. Certainly many funds are best suited to expatriates. But while the offshore market will not suit every domestic investor, it does have its peculiar attractions.

It is a mistake to think that by investing offshore, you are escaping the UK tax system. Resident UK citizens are liable to pay tax on all their worldwide income.

But offshore funds can pay income gross and this has a number of potential advantages. The first is that a non-taxpayer can receive a full income without the hassle of claiming back tax from the Inland Revenue.

Of course, for cash investors, this facility is now available onshore from banks and building societies. But onshore bond funds cannot pay gross income. Given that long term interest rates are now above short term returns, income-seeking non-taxpayers may well be attracted to offshore bond funds, which can. These funds frequently invest in Eurobonds, which pay interest gross.

The second potential advantage is that of cashflow. An investor who receives gross will have to declare income at the end of the tax year and may not have to pay tax for several months.

A so-called "roll-up" fund allows the investor to postpone this tax payment for even longer. These are deposit-based funds which accumulate interest; tax is not paid until the income is repatriated. So the income compounds at a gross, rather than a net, rate; and investors could wait to repatriate their income until they fall into a lower tax band. This could benefit those about to retire.

But Graham Barker of Fidelity points out there are many other potential uses. A non-working spouse could earn exactly as much as their personal allowance; or children could accumulate income until they reach adulthood, and become entitled to their own personal allowance.

There is no tax reason for a UK investor to invest in an offshore equity funds, and in the case of UK equities, it can prove a disadvantage.

It is a golden investment rule that one should not invest purely for tax reasons: and two other factors are important, security and performance. The term "offshore" may conjure up the image of the scandals created by Barlow Clowes, or for those with longer memories, Bernie Cornfeld.

But it would be wrong to assume that "offshore" is the equivalent of "shady". There is an increasing tendency for funds which want to attract international investors to move offshore, often to Luxembourg or Dublin.

One reason is that UK tax laws do not allow onshore unit trusts to pay income gross. International investors do not want to receive income net of UK tax which must later be reclaimed.

As a consequence, many offshore funds are run by the same perfectly respectable names, such as Fidelity and GT, that sell unit trusts in the UK. One of the consequences of European integration is the creation of UCITS (Undertaking on Collective Investments in Transferable Securities) – funds authorised in one state which can be sold across the European Community.

Many such funds appear in the back of the *Financial Times* under the heading Managed Funds. If a fund appears under the heading "SIB-recognised" that means the Securities and Investments Board, the UK's leading financial services regulator, has accepted that regulation in that centre is of an equivalent standard to that in the UK. Examples include Bermuda and Guernsey. The funds also have to satisfy the SIB that they are run in a proper manner.

If a fund comes under the "regulated" heading, that can mean one of two things. The centre may have its own system of regulation, but SIB does not consider it equivalent to UK standard; or the fund managers have not gone through the rigmarole of getting UK approval (perhaps because they are not interested in the UK market). Such funds cannot be promoted in the UK.

The upshot is that if the fund is run by a well-known name, and is SIB-recognised, the investor has no cause to worry.

As for performance, there is no intrinsic reason why a fund should be better run offshore than onshore. Our sister publication *Money Management* lists rankings for these funds every month. It is important to note that some funds have a bid-offer spread (as in the UK); others have a single price, but add on an initial charge. As a result, funds are ranked on a offer-to-offer basis, and thus the performance shown is slightly better than the investor has actually achieved.

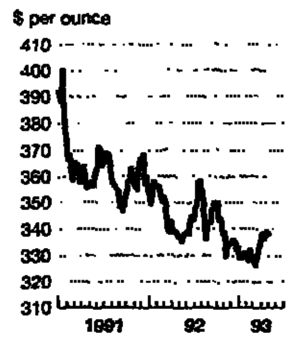
Offshore funds can offer a slightly wider range of investments. Martin Harrison of GT points out that onshore trusts are prevented from investing more than 10 per cent in "emerging markets", not recognised by SIB. An offshore fund does not have this restriction. And many of the offshore currency funds represent a cost-effective way of getting exposure to a foreign currency.

But this is definitely a field where care and professional advice is needed. There are plenty of funds to choose from. As of April 1, Finstat listed some 1,763 funds under the offshore heading.

AT A GLANCE

Gold price

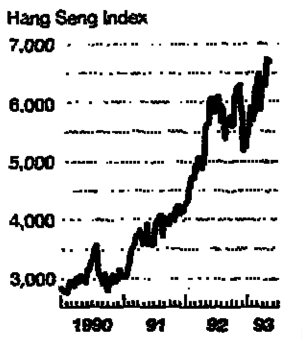
$ per ounce



Source: FT Graphite

Hong Kong

Hang Seng Index



Source: FT Graphite

Analysts divided over gold price direction

Gold prices wobbled this week after achieving a five month high on April 2. Analysts appear divided about whether the recent rises mean a rally in a bear market or the beginning of a new bull market. Ted Arnold, metals specialist at the Merrill Lynch financial services group, suggested that gold prices probably had bottomed out but thought it unlikely that prices would rise rapidly. "There is little doubt that Asian demand would dry up very rapidly and we would expect to see selling by investment jewellery holders in both Asia and the Middle East," he said.

Record high for Hang Seng

The Hong Kong stock market reached a record high this week as traders celebrated the resumption of talks between Britain and China on the colony's future. The Hang Seng index rose nearly 6 per cent on Wednesday to close at 6,789, before falling back slightly on Thursday and Friday. The news also lifted the shares of Hongkong & Shanghai Banking Corporation, owners of the Midland Bank, and a constituent of the FT-SE 100 index.

New trust from Axa

Axa Equity & Law has launched a new Balanced unit trust, which will invest in its range of funds. The initial charge is 6 per cent and the annual charge is 1.5 per cent – this allows for the charges on the underlying funds. The trust will qualify for Personal Equity Plan status, with no additional charges. The minimum investment is £1,000, or £60 per month. Axa Equity & Law is offering a 1 per cent discount on lump sum investments made before June 30.

Govett cuts minimum investment

John Govett is reducing the minimum investment on its Futures & Options Funds to £2,000 for postal dealings. Among the 18 funds are indexed funds on the US, UK, Japanese and European markets and bear funds which profit when those markets fall. Bull and bear funds are available on currency and bond markets. Charges vary from 4.5 per cent to 0.5 per cent initial and 1 to 0.5 per cent annual.

New Barclays mortgage

Barclays bank is replacing its 7.99 per cent fixed rate mortgage, fixed until January 1998, with a mortgage fixed at the same rate of 7.99 per cent (8.4 APR) but for a shorter term – until the end of April 1997. There is a booking fee of £100 and an arrangement fee of £150, which is waived if an endowment, pension or Barclays Lifestages policy is bought through the bank.

Age Concern focus on rights

The charity Age Concern has designated April 19 - 23 "Your Rights Week" in an attempt to ensure that older people are made aware of all the benefits to which they are entitled. A book, Your Rights 1993-94, costs £2.50 from Dept YR3, Age Concern England, Astral House, 1268 London Road, London SW16 4ER. There are also free factsheets on subjects such as Income Support.

Happy Easter for smaller companies

Small company shares rebounded in the post-Easter week. The Hoare Govett smaller companies index (capital gains version) rose 0.6 per cent, from 1366.19 to 1373.89, over the eight days to April 15.

Wall Street

Bond's the name, bank stock is the game

AS THEY say in the baseball park: "It ain't over till it's over," a point the New York Yankees learnt the hard way in the dying moments of two games against the Kansas City Royals this week. Like the Bombers from the Bronx, the US stock markets also got hit by a bolt from the blue this week – but this one did more good than harm.

Ten days ago, the bond market rally, which had proved a source of strength for equity investors for the best part of the year, looked to be over. The yield on the benchmark 30-year treasury bond, which had fallen to an all-time low of 6.72 per cent in early March, had jumped back up past 7 per cent and appeared to be heading even higher.

Fixed-income investors were selling bonds because they feared inflationary pressures were building up again in the economy.

The retreat unsettled equity investors, who had been looking to declining – or at least low – interest rates to provide fuel for economic growth for the rest of the year. Their concern peaked on April 2 when bond yields returned to 7 per cent and the Dow Jones Industrial Average gave up almost 70 points in one day, dropping below 3,400 in the process.

This week, however, everything seemed to go in reverse. Reassured by recent low inflation statistics, and pleased bythe news from the White House that President Clinton was prepared to compromise over his economic stimulus plan, treasury investors began buying bonds again and pushed the yield down to 6.71 per cent – the lowest since the government began regular auctions of 30-years in 1977.

The stock markets, delighted by this unexpected turn of events, rallied. In the 6½ days since bond yields dropped back under 7 per cent, the Dow gained 75 points and is now trading above 3,450.

Not surprisingly, interest-rate sensitive stocks – banks, other financial companies and utilities – have been at the forefront of the rally. Undermined initially by fears of rising rates, they all have rebounded in recent days.

Bank stocks have been particularly buoyant, not just over the past week but for the entire year so far. The shares of a host of big commercial operators – including Citicorp, Wells Fargo, Chase Manhattan, BankAmerica, Banc One and First Chicago – all are trading at, or close to, their 52-week highs. Improved asset quality and impressive earnings momentum have contributed to the boom.

The improvement in earnings has been particularly spectacular – and industry-wide, judging by the first batch of quarterly bank reports out so far. Five banks posted the following percentage increases in their first-quarter earnings this week: First Union, up 158 per cent; First of America, up 125 per cent; NBD, up 94 per cent; Bank of New York, up 56 per cent; and Huntington, up 48 per cent. Anticipating such gains, investors have been buying bank stocks all year.

According to *American Banker*, the market value of the largest US banks jumped 12.3 per cent in the first three months of the year, and the publication's index of bank shares climbed 10.7 per cent in the quarter, nearly triple the gains achieved by the Standard & Poor's index.

J.P. Morgan has been among the very best performers in the sector. Yet, the New York group has ridden the coat-tails of the boom in brokerage stocks this past week, an indication that the market regards J.P. Morgan stock as just as much of a securities industry play as a banking play.

As one of the few US banks allowed to operate in the domestic securities markets, J.P. Morgan earns more from its underwriting of new debt and equity, and from its trading of securities and sophisticated derivative products, than it does from such traditional banking activities as lending. Its Wall Street-type business spurred the bank to pre-charge profits of $432m in the opening quarter, news of which helped to lift the shares $4⅝ to $73⅛ this week. Fortunately for J.P. Morgan, it is not identified so closely with brokerage stocks that when profit-taking hits the sector, as it did on Thursday, it gets trampled in the rush to sell.

In the first three days of the week, investors could not get enough of brokerage stocks. Another impressive quarter from industry leader Merrill Lynch, which unveiled record three-month profits of $342m, had sparked the buying.

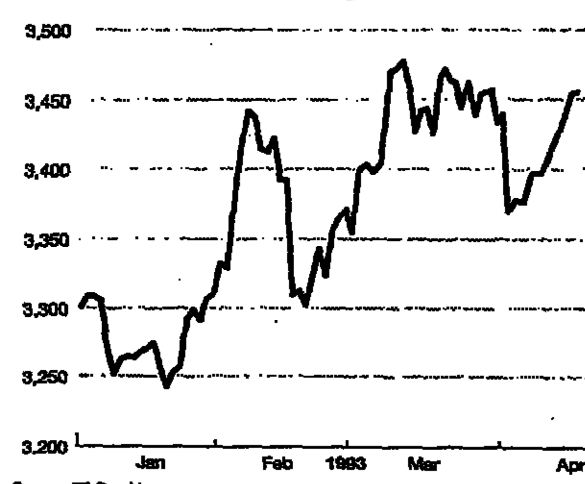
By Thursday, however, there was a feeling that the buying might have been overdone and that it was time to take some profits in the sector. Even shares in discount broker Charles Schwab, which announced record earnings, were hit hard.

To borrow another baseball saying, it seems as if the Fat Lady has sung for brokerage stocks – at least for now.

Patrick Harverson

Monday	3428.09	+ 31.61
Tuesday	3444.03	+ 15.94
Wednesday	3455.64	+ 11.61
Thursday	3455.92	+ 0.28

Dow Jones Industrial Average



Source: FT Graphite

The Bottom Line

Sweating in the Crucible

TO REPORT profits bang in line with forecasts and then watch your share price tumble 20 per cent must be a chief executive's recurring nightmare. But this has happened at Morgan Crucible, the materials technology group. Its £61.3m profits, reported last week, triggered a 66p fall to 279p at the close yesterday.

Hurt and chastened, chief executive Bruce Farmer, whose acquisitive approach has built Morgan Crucible, continued with a walking holiday in Scotland while the company and its advisers prepared for a hard round of presentations to institutional investors. Their main concern is Morgan's apparent inability to generate cash. Implicit in this is the fear that £174m raised in two rights issues in 1990 and 1991 might not have been spent wisely.

But the catalyst for the sell-off last week was concern about the group's red-blooded use of acquisition provisions. The habit has been losing favour rapidly since the Accounting Standards Board proposed that most such provisions should be taken as expense items through the profits and loss account.

Morgan Crucible greeted the share price fall by pleading it was no worse than other acquisitive companies like Hanson – which set up more in provisions last year than it made in profit. But what distinguishes Morgan – with "only" £17m of provisions – from Hanson is that gearing at the Anglo-US conglomerate is modest. Morgan has gearing of 67 per cent and will really have to battle to generate the cash to keep this under control.

Herein lies the rub. Morgan Crucible's plight is the result of several factors, none of which on its own is particularly new but which, together, were too much for the markets.

■ First, City analysts looked at what profits would have been had the ASB's rule changes been in place and the provision items been expensed to the P&L. Answer: Morgan Crucible would have had a dividend barely covered by earnings. Could the company sustain this over time? the market asked. What, if not the yield, was there to support the stock?

■ Then there was the poor cash flow. At operating margins of 10 per cent, the group is self-funding only if it makes no further acquisitions and cuts back capital spending in line with depreciation.

Had past provisioning led to a sharp increase in profitability and cash generation, the markets might well have been more forgiving.

■ Finally, there was debt. Some of the jump in gearing was a result of translating dollar-denominated debt, and interest cover remains high. But even by selling Holt Lloyd, the car care products company, and some other lower margin companies for about £60m, debt might not fall dramatically. Investors are going to need some convincing that they are not going to be asked to stump up more cash in the near future.

Morgan Crucible recognises a cash call would not wash for some time. "Before we can breath a word about any sort of fund-raising exercise, shareholders have a right to see an improvement in performance," says Graham Swetman, finance director.

The market's short sharp shock might, therefore, have a good effect if Morgan does indeed focus on raising margins, squeezing cash from working capital and resisting the acquisition trail.

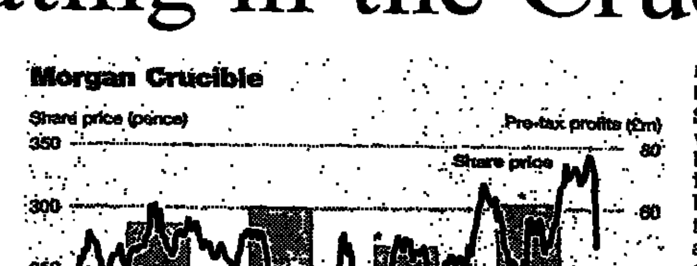
And there are other things going for it. It has cyclical recovery potential; the sale of Holt Lloyd would not only raise cash but increase the overall group operating margin; in the long term, the carbon and thermal ceramics business should be cash-generative, if not growth businesses; while technical ceramics and speciality materials – after some pruning – should be profitable growth businesses.

So, the prescription for Morgan seems clear. The greatest problem could be Farmer's sometimes overwhelming enthusiasm for technology, which might not always be good for profitability.

No doubt he will return, rejuvenated, from springing across the Scottish heather. He could find this energy being channelled firmly – by advisers, investors and some not too far from his own board – towards sweating the businesses he owns already.

Richard Gourlay

Morgan Crucible



Source: FT Graphite   Figures reported in accordance with FRS3   Year end Dec 31

FINANCE AND THE FAMILY

Protect yourself against school fee inflation

***John Authers** with timely advice on how to pay for your child's education*

PARENTS with children of school age must feel trapped between the devil and the deep blue sea.

The strife over national curriculum tests in the state sector is well-publicised. Meanwhile, the independent sector makes life harder for parents by continuing to increase its fees far faster than inflation.

According to a provisional estimate by the Independent Schools Information Service, fees have risen by 8 per cent in the last year – way ahead of earnings or price inflation. ISIS's figures show that in 1992 at the senior level girls day schools cost from £1,000 to £2,100 per term while boarders paid from £2,100 to £3,500. Boys' schools tended to be more expensive, with fees ranging up to £2,600 per term for day boys, and £3,700 for boarders.

If school fees inflation resumes at its average rate for the last few years of ten per cent, projections of the total bill sound alarming. According to Sun Life, educating a child born in 1992 at independent schools from the ages of seven to 18 would cost £310,000.

Perhaps it is not surprising that parents are resorting to desperation tactics.

Group Captain David Goucher, bursar of Bryanston, elaborated on some techniques in the latest edition of the Headmasters' Conference magazine: "The common ploys, familiar to all bursars, for delaying the day of reckoning include the accidental misdating of cheques, an irate telephone call ten days into a new term complaining that the bill has not arrived and delivering dire threats if the next account includes a surcharge for late payment, computer breakdowns in the international bank credit transfer system, fees not yet released by trust funds, insurance companies and building societies, and, not least, the pathetically disabled duck excuse that the cheque must have been lost in the post."

None of these techniques is recommended. It makes more sense to save in advance, which will lessen the burden of fees once you have to pay them, and to take out insurance against sudden falls in income.

It is also worth analysing what the school is intended to achieve. If you just want good exam results, then the best "value for money", assuming your child is able to beat the competition, should come from big city single-sex day schools. They are cheaper than boarding schools.

Once you have decided on a school, you should find out from the bursar how much it will cost.

Parents who think that meeting fees will be difficult should ask the following questions:

■ **How much help can the state provide?**

The government-backed assisted places scheme will pay fees for children from low-income households. The amount of government help will depend on your family's "relevant income", which includes the total pre-tax income of both parents, and any unearned income from dependent children. It does not include social security benefits, and an allowance of £1,105 is deducted for each child in the family who is not applying for an assisted place.

On this basis, families with income up to £9,056 are eligible to have their fees paid in full. Assistance for families on higher incomes is available on a declining scale. The maximum income you can have is £25,000. Parents interested in the scheme should contact the Department for Education Assisted Places team, Mowden Hall, Darlington, Durham DL3 9BG (tel. 0325 392163), which provides details of the scheme and the schools involved.

■ **Can the school help out?**

Several schools offer pre-payment plans, which can work out as offering better value than paying as you go along. The volume of fee income which arrives late leaves them feeling grateful for the improved cash flow. Some also have scholarship funds.

School schemes can be inflexible. Some, such as Harrow's, will allow you to transfer money to another school. Others will not.

■ **Are the fees protected for the future?**

This is most important if you have not saved in advance, and need to fund fees out of your regular income. Life term insurance for the main bread winner of the family, to last until the end of your youngest child's projected school career, makes sense and should not be expensive.

Permanent health insurance, to protect your income in the event of ill health, could be vital. ISIS has launched three schemes, administered by the broker Mason & Mason, to help when economic life gets tougher.

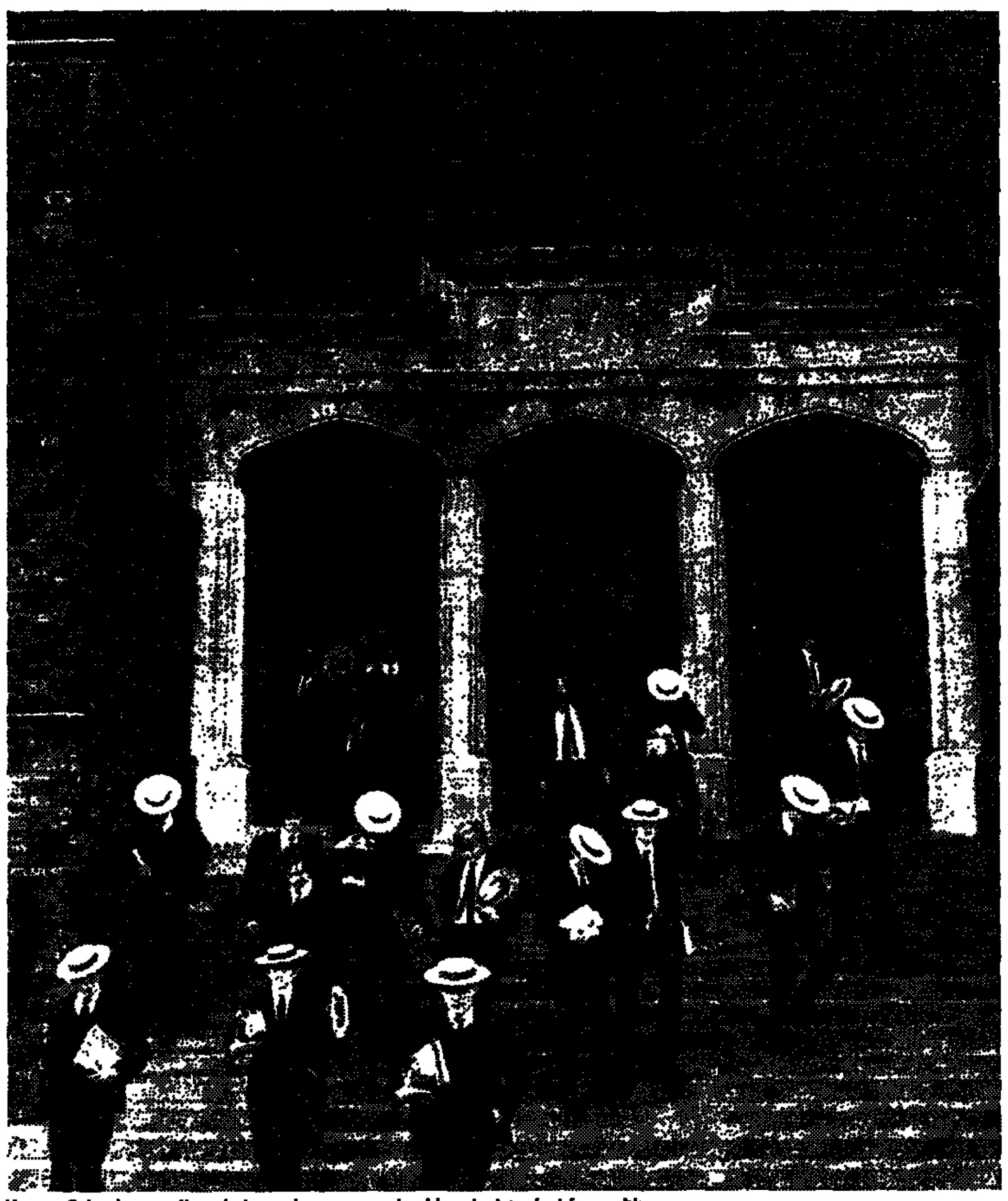
Future Term allows you to cover against death, disability, and redundancy (or bankruptcy for the self-employed) for the period of your child's education. The rates are expressed as a percentage of fees covered, and will increase at the end of June. They are – 1.5 per cent for death, 1.75 per cent for disability, and a maximum of 3 per cent for redundancy. The entire package would therefore cost 6.25 per cent of fees, and the scheme will not pay out if you are made redundant within 90 days of joining.

That is an individual scheme. Rates are lower if your child goes to a school covered by Feesure. This covers the fees against disability, redundancy or bankruptcy, again with a 90-day period at the beginning of the policy. It will pay out for a maximum of 12 months.

A scheme launched this week will be administered by schools. Educare will cover all fees against redundancy or disability for a flat premium of 1.5 per cent. The risk for the insurers is sufficiently reduced by covering so many parents that they can afford not to bother with the 90-day exclusion at the beginning of the scheme.

Contact ISIS on 071-630-8793, or Mason & Mason on 0625-529 536, for further details.

It is best, while you have time, and a high income, on your side to save capital to be protected against these problems. If that is no longer possible, there is no reason to allow independent education to become even less accessible by failing to take out protection.



Harrow School: no matter what your income you should protect against fee problems

Pibs may fit the bill

***Scheherazade Daneshkhu** considers fixed-interest instruments*

FIXED-interest instruments are attractive against today's economic background of low inflation and relatively low interest rates.

To those looking for income, the fixed-interest market is able to offer higher yields than the building societies. Two of the most accessible fixed-interest instruments for private individuals are bond funds and permanent interest bearing shares.

■ **Bond Funds**

Bonds are simply IOUs where the issuer agrees to pay interest and to return the capital on maturity. But since they can be traded, their market price varies during their life.

They come in a variety of forms, the best-known in Britain probably being government-issued securities gilts).

Few people hold a bond from issue to maturity, and the price at which they buy it might not be the same when they sell. Most gilts trade "above par value" (in the jargon), so there is always a risk of capital loss – the sacrifice for getting a higher income than might otherwise be available.

The relationship between the interest rate and the bond's price is measured by the yield. The running yield is calculated by dividing the interest rate by the market price. As prices rise, yields fall, and vice-versa.

Many people feel they lack the expertise to buy individual bonds and find bond funds a convenient alternative.

Most bond funds are unit trusts which, by investing in a portfolio of bonds, aim to provide the client with income and/or capital growth. Since investors must pay both initial and management charges, they will want to make sure the fund's performance makes up for the fees.

The table of the 10 largest UK bond funds with three-year records shows the yield and performance in terms of percentage growth.

Most of the funds listed invest in gilts but some, such as CU Preference, invest in the fixed-interest shares of companies.

Since companies can go bust and the UK government cannot, the increased risk of CU Preference is reflected in an above-average yield, but its performance – the lowest of the 10 – should caution investors not to look simply at the yield when choosing a bond fund.

Some funds might offer a high yield which is achieved purely by eating up capital. That might be attractive to some investors, but they should know what they are buying.

Investors should also be aware that profits from a bond fund are subject to capital gains tax – which is not the case if the investor had bought government securities directly.

Barclays Unicorn gilt fund, the largest, has both a high yield and the best performance over three years of the 10 quoted.

Apart from gilts, it also holds fixed interest securities in companies such as British Telecom and Barclays bank. The initial charge is 3.25 per cent on amounts up to £5,000 and reduces after that; the yearly fee is 0.75 per cent.

Not all bond funds aim to give a high income. Whittingdale's Short Dated gilt fund, which has the lowest yield – 3.5 per cent – of the funds listed, is aiming for capital growth through investment in short-dated, fixed-interest securities. But its performance is lower than the sector average, although it is top over five years.

Largest 10 UK fixed interest funds

Fund	Size (£m)	Yield (%)	Perf*
Barclays Unicorn Gilt	115.4	8.95	50.6
Axa E&L Gilt	70.3	6.45	48.7
Midland Gilt & Fixed	61.1	7.05	45.9
Whittingdale Sht Dated	51.1	3.50	36.0
All Dunbar Govt Secs	44.3	5.20	37.0
CU Preference	38.9	8.16	32.1
Kleinwort Gilt Yld	35.1	8.00	43.5
TSB Premier Income	34.7	6.71	43.4
Manulife Gilt & Fixed	32.4	7.20	48.7
M&G Gilt Income	25.4	8.37	41.2
Sector average	15.1	6.78	39.2

Source: Micropal. Performance figures are offer-to-bid with income reinvested over 3 years to April 1. Funds without 3 year records are excluded.

■ **Permanent Interest Bearing Shares**

These are issued by building societies to raise capital and are classified as debt. The market is small so far and began in July 1991 when Leeds Permanent launched the first issue.

Pibs pay a fixed income twice a year net of basic-rate tax. Any gains when selling are exempt from CGT. But they are deeply subordinated – which means that if the society collapsed, holders would be last in the line of creditors for repayment. These risks are reflected in the yields, which are higher than those for bond funds.

Since Pibs are irredeemable, the building society is under no obligation to repay the principal, so the original investment can be regained only by selling them.

Like bonds, the investor is exposed to the risk of a capital loss. So far, though, most holders have seen the value of their shares rise. Indeed, since we published a table last month showing prices at midday on March 11, all have risen – gently, in most cases. Skipton and Bradford and Bingley 11⅝ have risen by 0.5p, while Bristol & West has seen a rise of just under 4p.

Yields have fallen correspondingly but are still some of the highest available on the fixed-interest market. Hoare Govett says that, of the Pibs on issue, it believes Bristol and West 13⅜ is the most under-valued.

The society had a setback last year when interim results showed a 65 per cent fall in pre-tax profits, but it went on to register full-year figures which were down 42 per cent on the previous year. Hoare Govett says it believes the price for the Pibs fails to reflect the upturn at the full-year stage.

■ *Next week: Returns from international bond funds*

PERMANENT INTEREST BEARING SHARES

Stock	Coupon (gross %)	Minimum (£)	Issue date	Issue price (pence)	Price* (pence)	Yield* (gross, %)
Bradford & Bingley	13.00	10,000	30/9/91	100.20	127.50	10.19
Bradford & Bingley	11.63	10,000	29/6/92	100.13	113.75	10.22
Bristol & West	13.38	1,000	11/12/91	101.79	120.25	11.12
Bristol & West	13.38	1,000	31/10/91	100.34	120.25	11.12
Britannia (1st)	13.00	1,000	13/1/92	100.42	120.75	10.77
Britannia (2nd)	13.00	1,000	8/10/92	107.13	120.75	10.77
Cheltenham & Gloucs	11.75	50,000	21/10/92	100.96	112.50	10.44
Coventry**	12.13	1,000	28/5/92	100.75	115.50	10.50
Halifax	12.00	50,000	23/1/92	100.28	122.00	9.84
Leeds Permanent	13.63	50,000	3/6/91	100.00	131.50	10.36
Leeds & Holbeck	13.38	1,000	31/3/92	100.23	123.50	10.83
Newcastle	12.63	1,000	8/9/92	100.45	123.50	10.22
North of England	12.63	1,000	23/6/92	100.14	121.00	10.43
Skipton	12.88	1,000	27/2/92	100.48	114.75	11.22

Source: Hoare Govett. *Purchase price as at close of business on April 14; excludes accrued interest **includes stamp duty payable on Coventry pibs only

FINANCE AND THE FAMILY

Brokers who fail to deliver the goods

*Insurance intermediaries are sharply criticised in a new survey. **Richard Lapper** reports*

INSURANCE brokers are quick to recommend their services as the best route to obtaining value for money from home and motor policies, as well as good advice and service. But a Consumers' Association (CA) survey, published today, suggests that brokers and other intermediaries rarely deliver on their promises.

"The incompetence of some of the insurance intermediaries was truly alarming," said Jean Eaglesham, head of money policy at the CA. "Breaches of relevant codes were common and flagrant. Too many intermediaries claimed false status, offered inappropriate policies, and refused to answer legitimate questions."

CA conducted the survey by sending anonymous CA researchers to visit a random selection of 82 intermediaries – brokers, who sell policies on behalf of a number of companies – and agents, who sell for a limited number of companies – in six towns – Rotherham, Chichester, Preston, Bolton, Norwich and Hemel Hempstead. Each of the researchers sought advice over the purchase of a home contents insurance policy. Their requirements were standard apart from two factors: an expensive portable computer (not used for business) and a possible absence on holiday of more than 30 days.

The conclusions of these interviews show that too "often, intermediaries were incompetent and ill-informed."

The survey shows that the majority of insurance intermediaries breached "virtually all the provisions of the codes of practice which supposedly govern the sale of non-life insurance."

Flagrant breaches of the codes of the Association of British Insurers, the industry trade association, and Insurance Brokers Registration Council included the following:

■ Sixty-five of the 82 intermediaries did not disclose the amount of commission they received, even when asked.

■ Many brokers did not state whether they were tied or independent. Some of the insurance sellers "clearly did not understand the requirement to disclose their status: one even said that he did not know what being tied or independent meant."

■ Only four intermediaries were able to hand over a full copy of the insurance policy they were selling. Most of the intermediaries surveyed did not appear to have a copy of their policy for their own reference, usually working from rating guides. One intermediary said as he handed over a policy document: "Will you understand it? We don't"

Burglar Bill: enemy of insurers and householders

Among other shortcomings highlighted in the report:

■ Intermediaries rarely warned buyers about the consequences of non-disclosure of information. Some 53 intermediaries recommended "clearly inappropriate" insurance policies. Few intermediaries provided adequate information about policy details.

"In the majority of cases, terms with a distinct meaning under the policy, such as "valuables", were *left* undefined ... information on exclusions was virtually never volunteered ... researchers were rarely warned of any excess (the part of any claim that the policyholder must pay)."

■ Most intermediaries asked too few questions to establish customers' needs – out of six possible questions (picked from typical proposal forms), 50 intermediaries asked questions in only one or two categories. "It is therefore hardly surprising that whether policies were suitable (eg in terms of having few exclusions that would be a problem for the customer) appears to have been a matter of chance," says the CA.

Concluding, the CA report pulls no punches. It says that although the insurance market is highly competitive, individual consumers are poorly placed to benefit without good information and good advice. "At the moment, in too many cases, they are receiving neither, and instead are burdened with the costs of being sold unsuitable products," it says.

Lender offers to explain

***Scheherazade Daneshkhu** on a credit confession by Barclaycard*

BARCLAYCARD, which turns down almost half of new applicants for its credit card, is to explain to applicants its reasons for rejecting them.

Until now, issuers of credit cards have fought shy of disclosing too much information, claiming that this would make them vulnerable to fraudsters. Last year, however, Sir Gordon Borrie, Director General of the Office of Fair Trading, said lenders should be more open about their use of credit scoring – a technique used to decide whether to grant credit.

The system works by allocating points to various characteristics which the lender believes will help predict whether an applicant will repay credit. These include age, occupation and residential status. The total score is then used by the lender to decide whether to issue a card.

Barclaycard, which ran a pilot study on 3,000 people late last year, says it has decided to tell applicants why they failed the credit scoring process because it believes many creditworthy customers slip through the net. It hopes to accept thousands of new customers a year as a result.

"Being refused a new credit card must come to many customers as a shock," said Bob Potts, managing director of Barclaycard. "This new scheme is designed to explain why a card has been refused and will particularly help consumers whose ability to repay credit cannot easily be established from a standard credit card application form."

Although there may be many areas in which a low overall score is made, Chris Tucker, of Barclaycard, says that one section may let down an applicant more than others. Pilot tests showed that the most common reason was an inability by Barclaycard to verify bank or building society details. This was not necessarily because of bad relations between an individual and their bank but because it was not the bank's policy to provide details.

Sometimes an applicant is refused because they have not made clear what their job is. A house move could also contribute to a low score because the applicant may not yet be on the electoral roll which Barclaycard would use to verify details of where they live.

"We've been asking card issuers for a long while to do this and we applaud Barclaycard for providing this improved service," said Graeme Jacobs, of the Consumers' Association. "We have always understood the need not to give away too many details but at the same time, applicants should be given an indication of the reason for their refusal."

The credit scoring process is just one test which issuers run on an individual. Others include referral to a credit reference agency. Applicants turned down for a credit card because of the information supplied by a credit reference agency have a right to know its name and should contact the issuer within 28 days of refusal. The issuer will have to supply the name and address within seven working days.

Credit reference agencies have to make available to individuals the file they hold on them so long as individuals requesting information enclose £1 and their name and address.

The Week Ahead

Associated British Foods, the bread to sugar group, reports interim results on Monday and is likely to show little change on the £175.2m pre-tax made in the comparable period. While baking margins are still under pressure, the group's British Sugar division is expected to have gained from the green pound devaluation.

Hammerson, the UK's third biggest property company, will on Tuesday reveal the damage inflicted by the collapse of the property market in the UK, Canada and Australia, its main markets. Analysts expect pre-tax profits to fall from £55.5m to around £43m, while net assets per share may fall from 637p to 470p. It is expected to unveil a cut in its 1992 dividend payout from 20.5p to 10p, as indicated by its interim results in October.

Smiths Industries, the defence and aerospace components group, is expected to report on Wednesday a drop in interim pre-tax profits from £44m to about £40m. Analysts believe restructuring could lead to exceptional costs.

Albert Fisher, the food processing and distribution group, reports interim results on Thursday, with City expecting a drop in pre-tax profits from £37.2m to about £25m. Some expect interim dividends to be reduced (1.85p last time).

TAKE-OVER BIDS AND MERGERS

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £ms**	Bidder
	Prices in pence unless otherwise indicated				
Aberdeen Pet.	15	15½	16	7.73	Pittencrieff
Baxbuild Dev.	88*	87	78	3.68	Philip Shapiro
Brabant	58*	58	44	9.72	EDC
Brown Shipley	35*	35	30	5.58	GPG Group
Buckingham	2¾*	3¼	4½	3.31	Purlieus
Clifford Foods ‡	573*	578	523	12.81	Unigate
Do. A. ‡	251*	256	219	35.99	Unigate
Drayton Asia ‡	111	116½	113	111.56	EFM Dragon
East Worcester	2432*	475	475	26.30	Severn Trent
East WorcesterN/V	1920*	325	325	2.40	Severn Trent
Gabicci	48	46	41	5.63	Helene
Hawthorn Leslie ‡	1½	1½	2¼	2.85	Vodafone
Hoskyns	469*	54	464	433.00	Cap GeminiSogeti
House of Lerose	190§§	185	169	10.82	Country Casuals
Hunter Saphir ‡	42*	43	36†	10.37	Albert Fisher
Kirkland AS	582§	288	-	21.61	Oliver Resources
Platon Int'l ‡	31¼	29	20	3.33	Wills
TIP Europe	42*	41	25½	71.0	GE Capital

*All cash offer. ††Cash alternative. §For capital not already held. ‡ Unconditional. **Based on 2.30 pm prices 16/4/93. §§Shares and cash. †Price at suspension.

PRELIMINARY RESULTS

Company	Sector	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Alexandra Workwear	Tex	Jan	1,700	(500 L)	3.5	(-)	3.8	(3.6)
Anglo-Eastern Plant	Plan	Dec	1,320	(471)	3.4	(1.1)	1.375	(-)
Ashley (Laura)	Strs	Jan	1,800	(9,100 L)	0.34	(-)	0.1	(8.1)
Bilton	Prop	Dec	17,700	(17,400)	28.3	(27.7)	18.9	(18.9)
Blue Circle	BdMa	Dec	93,800	(98,600)	4.0	(8.8)	11.25	(11.25)
Brooks Service	BsSr	Dec	392 L	(587)	-	(3.25)	-	(4.06)
Campari Int'l	Tex	Dec	1,110	(5,270)	0.79	(39.24)	12.0	(12.0)
Carlisle Group	OtFn	Dec	947 L	(1,160 L)	-	(-)	-	(-)
Chepstow Racecourse	n/a	Dec	247	(157)	41.0	(27.2)	1.0	(1.0)
Erith	BdMa	Dec	557 L	(24)	-	(0.09)	0.35	(2.0)
F&C Pacific Inv	InTr	Jan	2,190†	(2,250†)	2.05	(2.11)	1.95	(7.75)
Fortis	H&L	Jan	164,000	(59,000)	14.1	(4.3)	7.5	(8.91)
FR Group	EngA	Dec	23,300	(21,400)	21.5	(20.12)	7.2	(6.88)
Friendly Hotels	H&L	Dec	2,540	(3,890)	11.4	(15.5)	5.7	(5.5)
Golden Vale	FdMa	Dec♠	16,700	(14,700)	9.2	(8.54)	1.83	(1.38)
Gowrings	Mtrs	Dec	100	(953 L)	0.61	(-)	2.0	(2.0)
Irish Life	InLf	Dec♠	41,600	(40,800)	10.54	(10.23)	8.44	(5.44)
Kingspan Group	BdMa	Dec♠	1,170	(2,560)	3.0	(7.5)	2.2	(2.2)
Magnolia Group	H&L	Dec	84	(401)	1.89	(4.65)	0.1	(5.4)
Meggitt	Eng	Dec	23,000	(18,700)	8.1	(8.4)	3.75	(3.6)
Parambe	OtFn	Dec	114	(88)	1.27	(0.79)	1.1	(1.1)
Radamec Group	Elec	Dec	832	(345)	4.8	(1.9)	1.5	(0.5)
RMC Group	BdMa	Dec	186,600	(167,400)	31.2	(38.0)	20.0	(20.0)
Rose Group	Misc	Dec	3,680	(1,260)	2.45	(1.48)	0.65	(0.45)
Russell (Alexander)	BdMa	Dec	1,930 L	(1,680)	-	(2.59)	1.0	(2.15)
Sun Alliance	InCp	Dec	129,600 L	(466,200L)	-	(-)	14.25	(14.25)
Sykes-Pickavant	Eng	Dec	629	(731)	6.23	(5.25)	4.0	(5.75)
Tie Rack	Strs	Jan	5,100	(1,000)	6.1	(1.95)	1.0	(0.5)
TSW-TV South West	Med	Dec‡	9,200	(1,950)	28.4	(5.0)	5.0	(7.0)
Tudor	BdMa	Dec	104 L	(23)	-	(0.72)	0.25	(0.5)
Union Int'l	n/a	Dec	32,500	(102,300L)	-	(-)	-	(-)
Walker Greenbank	Misc	Jan	5,650	(5,430)	4.29	(4.14)	3.1	(3.1)
Yule Catto	Chem	Dec	22,200	(21,800)	18.4	(16.1)	5.9	(5.4)

INTERIM STATEMENTS

Company	Sector	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Beckman (A)	Tex	Dec	342	(556)	1.2	(1.83)
Bullers	Misc	Dec	450 L	(497 L)	-	(-)
Cradley Group	PP&P	Dec	1,140	(487)	-	(-)
Dowding & Mills	Elec	Dec	1,770	(3,030)	0.92	(0.92)

(Figures in parentheses are for the corresponding period.)
*Dividends are shown net pence per share, except where otherwise indicated. L = loss. † = Available revenue. ‡ = Last years figures for 17 months. ♠ = Figures quoted in Irish pounds & pence.

RIGHTS ISSUES

TSW-TV South West is to raise £1.5m via a 1-for-6 rights issue at 47p.

OFFERS FOR SALE, PLACINGS & INTRODUCTIONS

Bruntcliffe Investments is to raise £3.8m via a placing of 16m shares at 25p.
Prior is to raise £2.37m via a 7-for-2 placing at 2½p.
Walker Greenbank is to raise £2.17m via a placing of 4.32m shares at 70p.

RESULTS DUE

Company	Sector	Anncmnt due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS					
Abtrust New European Inv	InTr	Thursday	-	0.3	-
Asda Property	Prop	Monday	1.35	-	0.65
Austin Reed	Strs	Thursday	3.0	3.0	2.0
Barlows	Prop	Wednesday	0.82	1.65	0.82
Beckenham Group	Misc	Tuesday	0.5	-	-
Bentalls	Strs	Wednesday	0.6	3.25	0.6
Berry Starquest	InTr	Friday	-	2.0	-
Bisichi Mining	Mine	Monday	-	0.8	-
Bodycote Int'l	Cong	Tuesday	3.5	5.75	3.75
Boosey & Hawkes	H&L	Tuesday	5.5	14.5	6.0
Boot (Henry)	C&C	Tuesday	7.5	19.5	1.6
British Fittings	BdMa	Tuesday	1.375	4.0	0.5
Capital & Regional Props	Prop	Friday	0.3	0.7	0.3
Dencora	Prop	Wednesday	-	5.5	-
EIS Group	Eng	Tuesday	3.17	8.52	3.22
Fitch	Med	Friday	-	-	-
Fleming Con European Inv	InTr	Thursday	0.8	2.2	-
Fleming Inc & Cap Inv	InTr	Wednesday	-	-	1.725
Forward Group	Elec	Wednesday	1.0	1.5	1.3
Freeman Group	BdMa	Tuesday	3.0	-	2.0
Gartmore American Secs	InTr	Tuesday	1.0	1.0	1.0
Geared Income Inv	InTr	Thursday	2.0	2.43	1.5
Govett Oriental Inv	InTr	Friday	0.37	0.52	0.4
Greenacre Group	H&H	Monday	0.125	0.125	0.13
Hammerson Property Inv	Prop	Tuesday	3.5	17.0	3.5
Havelock Europa	C&C	Wednesday	1.5	-	-
Helical Bar	Prop	Wednesday	2.4	1.6	2.4
Holt (Joseph)	B&D	Friday	9.0	26.0	10.0
Huntleigh Technology	H&H	Tuesday	1.75	2.75	4.0
Ibstock Johnsen	BdMa	Monday	2.25	3.75	0.5
Jerome (S) & Sons	Tex	Wednesday	1.0	-	-
Jove Inv Tst	InTr	Friday	-	-	-
Jupiter European Inv Tst	InTr	Monday	-	0.1	0.5
Liberty	Strs	Thursday	1.85	5.35	1.85
Linton Park	FdMa	Friday	2.5	10.5	2.5
London & Associated Inv Tst	Prop	Monday	0.05	0.48	0.05
Lopex	Med	Friday	-	-	-
Quarto Group	n/a	Monday	1.61	3.64	1.61
Reed Executive	BsSr	Friday	-	-	-
River & Merc Geared Cap	InTr	Thursday	-	-	-
Ropner	Cong	Tuesday	3.5	4.75	3.5
Securities Tst of Scotland	InTr	Monday	1.08	2.17	1.08
Slingsby (HC)	Mtrs	Friday	2.0	5.5	2.0
Thames TV	Med	Wednesday	2.5	5.0	2.5
United Energy	O&G	Thursday	-	-	-
Usborne	FdMa	Friday	0.1	0.3	0.2
Wembley	H&L	Thursday	0.9	0.8	0.2
Yorklyde	Tex	Thursday	4.0	5.7	9.7
INTERIM DIVIDENDS					
Aberforth Split Level Tst	InTr	Monday	-	-	-
Air London Int'l	BsSr	Friday	1.6	1.9	-
Albert Fisher	FdRt	Thursday	1.85	1.9	-
Amber Day Holdings	Strs	Wednesday	1.1	2.0	-
Associated British Foods	FdMa	Monday	6.5	5.5	-
British Assets Tst	InTr	Friday	1.04	1.07	1.07
British Empire Securities	InTr	Friday	0.25	0.64	-
Deutschland Inv Corp	n/a	Thursday	-	-	-
EFM Dragon Tst	InTr	Monday	-	0.06	-
Exmoor Dual Inv Tst	InTr	Wednesday	-	1.85	-
Five Oaks Inv	Prop	Monday	-	-	-
Govett Strategic Inv	InTr	Thursday	2.65	4.1	-
Investors Capital Tst	InTr	Friday	1.275	1.275	-
Jersey Electric	Elec	Friday	-	-	-
Keystone Inv	InTr	Monday	5.0	10.0	-
London & St Lawrence Inv	InTr	Monday	-	3.36	-
Low (Wm) & Co	FdRt	Thursday	2.7	5.7	-
Regina	H&H	Wednesday	-	-	-
River & Merc Extra Inc	InTr	Tuesday	1.968	1.968	1.968
RPH	n/a	Friday✻	-	-	-
Scottish American Inv	InTr	Wednesday	1.07	1.11	-
Scottish Metropolitan Prop	Prop	Monday	1.5	-	-
Shani Group	Tex	Tuesday	1.6	2.8	-
Smiths Industries	EngA	Wednesday	4.1	7.15	-
St Ives	PP&P	Tuesday	1.5	3.75	-
VTR	BsSr	Friday	1.2	2.2	-
Waste Management	Misc	Monday†	-	-	-

*Dividends are shown net pence per share and are adjusted for any intervening scrip issue. ✻ = 3rd quarter figures. † = 1st quarter figures.
Reports and accounts are not normally available until about 6 weeks after the board meeting to approve preliminary results.

FINANCE AND THE FAMILY

Investment Trusts

Proof that he who ventures wins

***Philip Coggan** examines the record of Pantheon International Participations, which profits from a somewhat esoteric strategy*

ONE OF THE best-performing investment trusts over the past year could well be one of the least known.

Indeed, the trust's name, Pantheon International Participations, or PIP for short, does not give much of a clue as to what it does – investing in other people's venture capital funds.

This rather esoteric-sounding strategy has been fairly successful in recent times – according to *Micropal*, it was the fourth best-performing non-split capital investment trust over the year to April 1 (mid-market to mid-market with income re-invested) with a rise of 93.5 per cent.

It was top of the venture capital sector over that period and third over both the three- and five-year periods.

What is the rationale for PIP's investment policy? Most venture capital trusts buy direct equity holdings – but this can involve them in a lot of hands-on management if the companies get into difficulties. PIP avoids that problem.

Furthermore, PIP's policy means its portfolio is highly diversified. Each of the funds in which it invests has a wide range of holdings – so the damage caused by the failure of any one company is much smaller.

Other venture capital trusts, such as Drayton Consolidated, have been hit badly by prominent corporate collapses.

PIP also can benefit by buying so-called "secondary interests." Many venture capital funds are launched on a private basis, with fund managers persuading a number of institutions to participate.

If one of those institutions then wants to sell, PIP can acquire their holdings. And given the lack of alternative purchasers, usually it can buy at a discount.

Some of the recent uplift in performance, however, has come from a special factor. In February 1989, the trust purchased approximately £20m of unquoted assets from the water authorities.

The bulk of the consideration was in the form of convertible loan stock. This had a nominal rate of interest – 3 per cent – which was rolled up to allow the water authorities to purchase more ordinary shares when conversion became profitable.

Since then, the water authorities have been replaced as owners of the convertible by the National Rivers Authority, which decided it wanted to realise the convertible for cash. PIP has agreed to buy it back, but at a discount to face value.

This resulted in a double boost to net asset value per share – the value of the debt fell and the prospect of the creation of a large number of new shares disappeared.

But there is hope of a more fundamental pick-up in net asset values as the US and UK economies recover. Venture capital funds tend to lag behind the quoted sector. Valuations are based on the previous year's profits, and thus will reflect the depressed conditions of 1992.

Stock market investors already are anticipating the increases in profits in late 1993 and 1994; eventually the unquoted sector could catch up.

Of course, the whole issue of valuation is one which has dogged the venture capital sector. Investors have been disillusioned as managers have written down their previous valuations in response to bad news.

The result has been that trusts have traded at wide discounts to net asset values – 33 per cent in the case of Electra, the biggest trust in the sector. (PIP stands at a 20 per cent discount.)

PIP says it scrutinises the valuations given by the managers of funds in which it invests – and applies a discount if necessary. It never increases the manager's valuation.

But Lewis Aaron, investment trust analyst at S.G. Warburg, says that PIP has in the past bought portfolios at a discount and then written up the holding to asset value. "That is not necessarily a conservative approach," he points out.

He stresses, however, that manager Rhoddy Swire probably has the best knowledge of US venture capital funds of anyone he has met.

The group has a large concentration of its portfolio in the US, where the venture capital market is more developed than elsewhere.

At June 30 1992, its UK content was 43.8 per cent (funds 27.2, unquoted 8.4, gilts 8.2) and the US portion was 51.4 per cent (funds 44, unquoted 5.8, quoted 1.6). Japanese and continental funds made up the remainder.

PIP's largest 10 investments at June 30, 1992 were: Juno International Participations; Scotia Holdings; Sequoia Capital IV; Grosvenor Technology Fund; Apax Ventures II; New Enterprise Associates III; APA Excelsior Venture Capital Holdings (Jersey); Southwest Enterprise Associates; Fleming Ventures; and East of Scotland Industrial Investments.

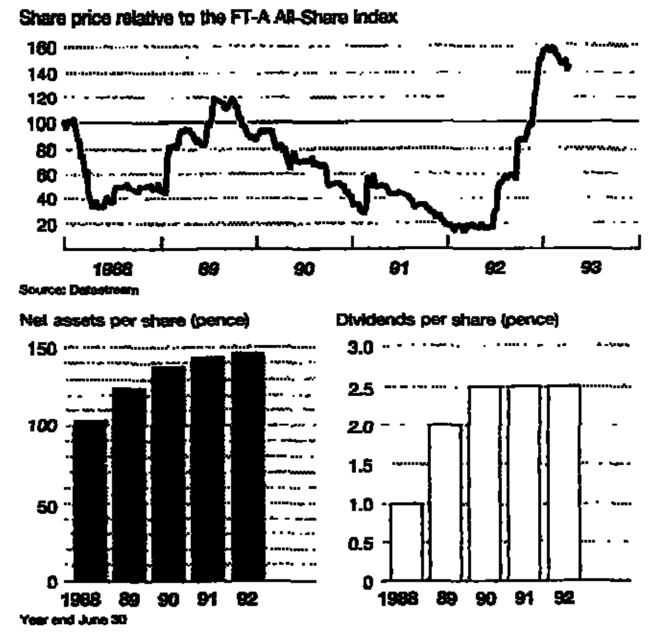
The trust was floated in September 1987 as GT Ventures. Although it was launched a month in advance of the crash, it did not invest any money before Black Monday, and so was unaffected by the stock market turbulence that followed.

Since then, Swire has set up an independent management company, Pantheon, to run the trust. GT sold its remaining holding in Pantheon last year and the trust's name was accordingly changed from GT Venture.

Any venture capital fund is risky, and PIP is not for the cautious or for the short-term, investor.

Warburg's Aaron says the trust might be attractive to those who believe, like him, that it is quite a good time to be exposed to the US venture capital sector – particularly in view of the stimulus package proposed by President Bill Clinton.

Pantheon International Participations



■ **Key facts**
At the end of December, the trust's gross assets were £35.3m and the net assets were £27.8m. As of April 14, the trust's net assets per share were 176.1p, according to NatWest Securities. At 142p, the shares were trading on a discount of 19.6 per cent and a yield of 2.2 per cent.

■ **Board**
Thomas Griffin, chairman, was one of the founders of GT Management. The other directors are: John Brakell, the manager (venture capital) at Postel Investment Management; Alain Lefebvre, a director of a number of continental investment companies; Richard Stanley, a director of Friends Provident; Lionel Sackville, chairman of Union Jack Oil; and Swire.

■ ***Savings scheme* and Pep details**
Pantheon has no savings scheme and does not qualify for Pep status.

Directors' Transactions

THIS WEEK'S table is dominated by directors taking advantage of the new tax year to exercise and sell options. The large sales by nine of the directors of Steel Burrill Jones, the insurance broker, included disposals by Hugh Armytage, Kevin Grant-Dalton and David Low, who sold Regis Low to SBJ and, under the terms of the sale agreement, were entitled to sell 928,555 shares on or after January 7 1993. They have now sold most of these. Six other directors sold various amounts of stock while the three non-executive directors, including the chairman, made small purchases.

Over the past 18 months, the directors of Rathbone Brothers have sold shares to satisfy demand from the market; and the recent disposals by four of them leave the board still owning about 34 per cent of the issued ordinary shares.

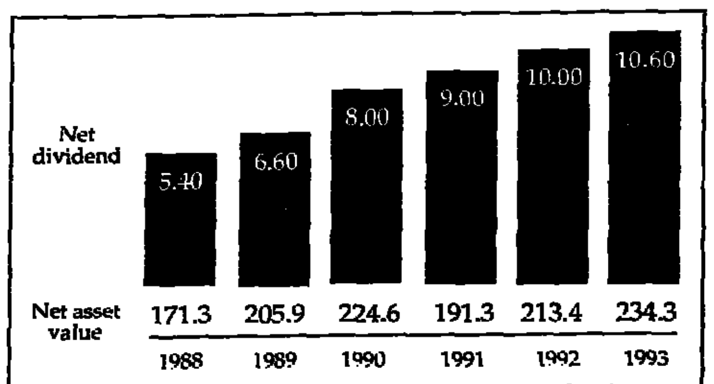
Shares in Granada Group, the television and leisure company, have continued to perform well. The recent exercise and sale of options by Graham Wallace at prices between 393p and 402p, follows purchases by Charles Allen of 100,000 shares at the end of March and 85,000 in August at prices of 350p and 235p, respectively. Last week also saw an announcement that the finance director had purchased 10,000 at 398p.

Colin Rogers,
Directus Ltd.

DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED & USM)

Company	Sector	Shares	Value	No of directors
SALES				
BAA	Tran	6,500	51	1
Cable & Wireless	Tele	30,500	218	2*
Cater Allen	OthF	14,435	68	1*
Daily Mail& Gen A	Med	7,250	660	1*
FII Group	Misc	13,772	62	1*
Glynwed Intl	Metl	28,125	69	1*
Grampian Holdings	Cong	18,000	21	1
Granada Group	H&L	36,772	147	1*
JIB	InsB	90,000	174	1*
Johnson Matthey	Metl	5,881	26	1
Johnston Press	Med	5,000	26	2
Logica	Elns	14,000	29	2
Low & Bonar Nil Pd	Pack	275,000	575	1
MB Caradon	Cong	377,354	1,116	2*
Molins	EngG	16,182	77	1
NFC Variable Voting	Tran	9,168	23	1
Northumbrian Water	Watr	19,900	129	2*
P & O	Tran	5,200	30	1
Porvair	Chem	15,000	31	1
Prism Leisure Corp	H&L	40,000	43	2*
Rathbone Brothers	OthF	80,000	213	4
Schroders	Merc	40,000	592	1*
Southern Water	Watr	12,000	66	1
Spear (JW) & Sons	Misc	8,000	38	1
Staveley Industries	Othl	28,416	67	1*
Steel Burrill Jones	InsB	1,031,989	2,415	9
TT Group	EngG	24,000	62	1
Wessex Water	Watr	23,889	153	2
Wilson (Connolly)	C&C	10,000	16	1
PURCHASES				
Baltic	OthF	742,823	517	1
Cookson Group	Othl	15,000	29	1
Erskine House	Misc	202,000	62	4
Granada Group	H&L	10,000	40	1
Johnston Grp	BdMa	20,000	22	1
Mirror Group	Med	50,000	54	1
Steel Burrill Jones	InsB	20,845	48	3
Taylor Woodrow	C&C	65,360	59	3
TI Group	EngG	10,000	30	1

Value expressed in £000s. Companies must notify the Stock Exchange within 5 working days of a share transaction by a director. This list contains all transactions, including the exercise of options (*) if 100% subsequently sold, with a value over £10,000. Information released by the Stock Exchange 5 - 8 April 1993.
Source: Directus Ltd, The Inside Track, Edinburgh



FINANCE AND THE FAMILY

Making CGT work for you

***Philip Coggan** considers the pros and cons of a new tax-efficient investment trust*

THE ANNUAL capital gains tax allowance of £5,800 is one of the great unexploited tax breaks. Scottish fund management group Ivory & Sime will launch a new investment trust in May which will use the CGT allowance to offer investors a 7 per cent tax-free income, paid monthly.

Investors in the trust – Ivory & Sime ISIS – will earn their income by monthly sales of shares. Over the long term, the stock market tends to rise at a rate greater than 7 per cent. Thus, Ivory & Sime believes investors can receive their income without depleting their capital long term.

If investors have not used up their CGT allowance elsewhere, this monthly income plan is highly tax-efficient. A basic-rate taxpayer who gets £5,800 of dividend income will pay £1,160 in tax; the higher rate-payer will pay £2,320. But there is no tax to pay on the first £5,800 of capital gains. Put another way, this 7 per cent income is equivalent to 9.33 per cent gross from the building society for basic rate-payers.

Another point in favour of the monthly income plan is that there are no initial or annual charges; nor are there any dealing costs when selling shares. And the trust does not need to invest in high-yielding (and possibly low-quality) stocks for investors to earn their income. ISIS will buy growth stocks in the FT-SE 350 index and will have a below-average portfolio yield, giving scope for capital growth.

One potential snag is that the steady sale of shares by income investors will create an ever-widening discount. But I&S hopes to get round this through its monthly savings scheme, which will offer a loyalty bonus (in the form of warrants) for those who put money away for a full year. It hopes the added value provided by the warrants will lure enough people into the savings scheme to provide a regular demand for shares and eliminate the discount problem.

Like the monthly income plan, there are no initial or annual charges. The savings plan does not pay income but, for those who are likely to pay CGT, there is a Pep option at no extra charge. Those who buy shares in the trust will receive no conventional dividend income. Instead, the future dividend income stream is being sold to institutions in the form of convertible annuity shares, with a seven-year life.

There are two advantages to this structure. The first is that the sale of the future income stream generates cash up-front which immediately boosts the asset value of the ordinary shares. The second is that the annuity shares absorb Ivory & Sime's annual management charge.

It all sounds too good to be true, so what could go wrong? If there were to be a repeat of Black Monday, or a prolonged bear market, investors could find they were rapidly eating up capital to provide their income. This could also occur if I&S managed the portfolio badly and underperformed the market substantially.

The existence of the warrants will also have a dilutive effect on the net asset value per share performance – but Ivory & Sime argues that, since the warrants are available only to monthly savings investors, the dilution will be small.

Probably the biggest question is whether the structure will work and enough monthly savings plan investors will be found to buy the shares sold by the monthly income investors. If that does not happen, shares will have to be sold at a discount to pay the income, which could erode investors' capital.

Still, this is an ingenious, low-cost and tax-efficient scheme. As Robin Angus of County NatWest has argued, investors should concentrate on total return rather than aiming for high income alone. This trust gives them a way of doing so. You could argue about whether it can be classified as a split capital trust. What is certainly true is that there are no classes of shares with a prior claim on its assets; thus, the ordinary shares represent a "clean" investment.

Full details of the trust will not be available until next month but a helpline is open on 0800-441 441.

Pension opt-outs soaring

MANY companies affected by the recession have, unofficially, stopped contributing to their pension schemes. But this problem can be hidden from scheme members and stay beyond the reach of watchdogs.

When selling group pension schemes to company directors, insurance companies commonly emphasise the flexibility allowed over payment of contributions. "It's all part of the sales patter, particularly in money purchase schemes," said one pension sales executive this week. "You control the costs, you have flexibility. If profits are down next year, it doesn't matter – skip a year."

This message had been put into practice often during the recession, he added, with the result that up to two years' worth of pensions contributions could have been missed before the insurance company took any effective action.

"When a company gets into difficulties, pension contributions can be a good source of additional cash flow," said Mike Hayhurst, product development manager at Save & Prosper. "It might be a short-term thing and the contributions turn up [eventually]."

Hayhurst said that to avoid problems of this kind getting worse Save & Prosper now shut down any pension scheme where contributions have gone unpaid for three months, and told scheme members.

S&P has also recently negotiated a change of practice with the Occupational Pensions Board, which monitors the adequacy of pension scheme resources.

"We feel the OPB really does not have any teeth," said Hayhurst, explaining that the board's only sanction was to withdraw the certificate allowing a scheme to contract out of the state earnings-related pension scheme (Serps).

Now, instead of simply reporting to the OPB that a company pension scheme had gone into arrears on its contributions, and leaving matters to seep through the usual channels, Save & Prosper made a direct request for removal of the contracting-out certificate. "At that point, members' rights in Serps are at least restored," Hayhurst added.

Meanwhile, 60 members of the CTU Limited pension scheme, some past pension age, have experienced the perils of the normal procedures. More than 2½ years after their company went out of business, they have no firm news of their pensions.

The CTU scheme was set up in 1988, to be operated through Eagle Star. CTU fell £60,000 short in its pension contributions in 1988, and missed a further £170,000 in 1990. None of this was known to members at the time.

Eagle Star says it reported the missed contributions to the OPB several times but the board did not withdraw CTU's contracting-out certificate until after the company had gone into receivership in June 1991.

Independent Trustee Services Ltd, which was appointed as independent trustee by the receivers at the start of 1992, has been involved almost ever since. Director Chris Martin described it this week as a Catch 22 situation. "The OPB has been asking us to state that the assets of the scheme are sufficient to cover the guaranteed minimum pensions," he said.

"We have told them we can't do that because we suspect they are not. They say that if we can't give that assurance, then we can't wind up the scheme." It also meant the trustees could not switch the scheme's assets out of Eagle Star's unitised fund and into cash or gilts.

Martin said the OPB finally had agreed to accept a statement from an actuary that the assets would be sufficient to pay the premiums to get the members back into the state scheme. But he pointed out that this all might change if a successful claim could be made on the Department of Employment for up to one year's worth of missed contributions.

This claim would have to be made with the help of the Official Receiver, with whom negotiations are in progress. But Martin warned: "That is a long way from getting a claim processed."

Barbara Ellis

Change of ownership

MY SON and I own a three-bedroom holiday house in Wales. But I am 91 and my wife 90 and we are no longer able to go. I am considering giving my half share to my daughter-in-law. How should I do this? Also, I have two sons, five grand-children and one great grand-child. Are there advantages in forming a family trust?

■ You could give the home to your daughter-in-law, or in trust for your children and grandchildren. For inheritance tax purposes, if you gave it away but continued to use it without paying rent, you could be caught by the "gift with reservation" rules. But if you can no longer use it, you are no longer getting a benefit from it and the gift can be made without these rules applying. The effect of the gift with reservation rules would be that the property would stay in your estate for IHT purposes even though you had given it away.

Should you die within the next three years, the value of the gift will become chargeable to IHT. But if property values increase over the next few years, then the increase in value will escape IHT. Once you have survived for three years, then tapering relief would apply. But this might not be helpful as the gift could be covered by your nil rate band, so other assets in your estate would be subject to IHT at the full rate. For the gift to create the IHT savings you propose, you would need to live for seven years so that the gift becomes exempt fully.

It might be worth considering other assets in your estate which could be gifted. It would be possible for these to be transferred into a trust for the benefit of your children/grandchildren.

One of the drawbacks of giving property is that, if the value of the property increases in the future, there could be capital gains tax disadvantages. If your daughter-in-law were to sell the house at some future time, the probate value might be higher than the present value so less CGT would be payable. You need to weigh possible IHT savings against potential CGT disadvantages.

This reply was provided by Barry Stillerman of Stoy Hayward.

No right to allowance

I AM A basic-rate taxpayer aged over 65. My total income for tax purposes is about £20,000 and I do not receive an age-related personal or married couple's allowance. My wife is a 20 per cent band taxpayer aged over 65 with a total income of about £4,500. She does get a personal age allowance.

1. Am I right in thinking that I still cannot have an age-related personal or married couple's allowance? 2. If I am right, and if I were to transfer my £1,720 married couple's allowance to my wife, would this then become a £2,465 married couple's age allowance for her in 1994/95? (being too late to apply for 93/94).

3. On a different subject, am I right in thinking that the new advance corporation tax rates in 1993/94 and in 1994/95 onwards apply to income from equity-based unit trusts as well as to share dividends (but not to interest from banks or building societies)?

■ 1. Yes.
2. No.
3. Yes.

Ask your tax office for a copy of the free pamphlet IR121 (1992) (Income tax and pensioners). Pamphlets IR80(1192) (Income tax and married couples) and IR90(1989) (Independent taxation – a guide to tax allowances and reliefs) may also interest you.

NB: This reply has been written before publication of the Finance (No 2) Bill, which received its first reading in the House of Commons on March 22).

Q&A
BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All enquiries will be answered by post as soon as possible.

HIGHEST RATES FOR YOUR MONEY

	Account	Telephone	Notice/term	Minimum deposit	Rate %	Int. paid
INVESTMENT A/C's and BONDS (Gross)						
Co-operative Bank	Pathfinder	0345 252000	Instant	£100	5.84%♦	Mly
Birmingham Midshires BS	First Class	0902 302090	Postal	£500	6.75%	Yly
Britannia BS	Capital Trust	0538 398115	Postal	£10,000	7.05%	Yly
North of England BS	Edinburgh	091 510 0049	Postal	£25,000	7.50%	Yly
Northern Rock BS	Postal 30	0500 505000	30 Day	£2,500	7.30%★	Yly
Scarborough BS	Scarbgh Ninety 3	0723 368155	90 Day	£25,000	7.80%	Yly
Newcastle BS	Nova Star VII	091 232 6676	15 Month	£5,000	7.75%	Yly
Chelsea BS	Premier VII	0800 272505	1.8.95	£10,000	9.25%★	Yly
TESSAs (Tax Free)						
Allied Trust Bank		071 626 0879	5 Year	£9,000	8.10%	Yly
Dunfermline BS		0383 721621	5 Year	£3,000	8.00%	Yly
National Counties BS		0372 739702	5 Year	£3,000	7.90%	Yly
Tipton & Coseley BS		021 557 2551	5 Year	£1	7.85%	Yly
HIGH INTEREST CHEQUE A/Cs (Gross)						
Caledonian Bank	HICA	031 556 8235	Instant	£1	5.50%	Yly
Chelsea BS	Classic Postal	0800 717515	Instant	£10,000	6.60%	Yly
				£25,000	7.10%	Yly
Northern Rock BS	Current	0800 591500	Instant	£50,000	7.07%	Mly
OFFSHORE ACCOUNTS (Gross)						
Woolwich Guernsey BS	Woolwich Intl	0481 715735	Instant	£500	6.25%	Yly
Derbyshire (IOM) Ltd	90 Day Notice	0624 663432	90 Day	£25,000	7.30%	Yly
				£50,000	8.00%	Yly
Bristol & West Intl Ltd	Intl Premier	0800 833222	6 Mth ‡	£5,000	6.55%	Yly
GUARANTEED INCOME BONDS (Net)						
General Portfolio FN		0279 462839	1 Year	£20,000	5.10%	Yly
Consolidated Life FN		081 940 8343	2 Year	£2,000	5.40%	Yly
Consolidated Life FN		081 940 8343	3 Year	£2,000	6.00%	Yly
Financial Assurance FN		081 367 6000	4 Year	£50,000	6.35%	Yly
General Portfolio FN		0279 462839	5 Year	£50,000	6.60%	Yly
NATIONAL SAVINGS A/Cs & BONDS (Gross)						
	Investment A/C		1 Month	£20	6.25%	Yly
	Income Bonds		3 Month	£2,000	7.00%	Mly
	Capital Bonds G		5 Year	£100	7.75%F	OM
	First Option Bond		12 Month	£1,000	6.34%	Yly
NAT SAVINGS CERTIFICATES (Tax Free)						
	40th Issue		5 Year	£100	5.75%F	OM
	6th Index Linked		5 Year	£100	3.25% +Infln	OM
	Childrens Bond E		5 Year	£25	7.85%F	OM

This table covers major banks and Building Societies only. All rates (except Guaranteed Income Bonds) are shown Gross. Fixed = Fixed Rate (All other rates are variable) OM = Interest paid on maturity. N= Net Rate. B = Bond. ★ = Rate fixed only until 1.7.93. ‡ = After 6 months qualifying period. ♦ = Initial deposit of £5,000 or £100 per month required.
Source: MONEYFACTS, The Monthly Guide to Investment and Mortgage Rates, Laundry Loke, North Walsham, Norfolk, NR28 0BD. Readers can obtain a complimentary copy by phoning 0692 500677.

FINANCE AND THE FAMILY

Mortgage gloom for the self-employed

***Scheherazade Daneshkhu** looks at the limited options available*

AS MORTGAGE lenders sit poised waiting for a housing market recovery, the self-employed and those whose earnings are not regular are finding it no easier than before to get a loan.

Lenders who had their fingers burnt in the credit-happy 1980s are understandably more cautious. The weak housing market has hit their own mortgage books, while the recession has made them extra careful about the prospects for those who run their own business or depend on commission income.

Ian Darby, of mortgage broker John Charcol, believes the clampdown could have gone too far. "A gradual process which started two years ago is now reaching its peak," he said. "It is a very tough market for the self-employed."

Some types of lending are no longer obtainable – including "non-status" loans, where lenders were prepared to grant up to 65 per cent of a home's cost without references. These mortgages, regarded now as the most irresponsible of all, disappeared in the mid-'80s.

"Self-certification" loans have diminished, too. These involved applicants putting up a large deposit – usually 25 or 30 per cent of the loan – and giving details of their income or spending. The lender would not normally seek to verify income but would want to see a previous credit reference. While variants on this type of loan remain available, they are sparse and mostly from centralised lenders.

For self-employed applicants, the standard minimum demand from the large building societies is to see three years' fully-audited accounts. "That time scale gives them time to become established, and indicates to us the income they are taking from the business," said the Halifax building society, Britain's biggest lender. "We would expect a regular income from the business by the third year – that is what we are interested in."

The Halifax will consider giving a loan to those whose business has been running for three years but can produce accounts for only two. It will not accept those working on commission. But Alliance & Leicester says that if the commission is regular, it will consider a maximum loan based on half the annual commission earnings.

Abbey National, the second-largest lender, says it wants proof the self-employed can afford to make regular payments. It also requires three years' audited accounts, but says there is flexibility in cases where the company has been formed because of a split. Abbey adds: "We take a view on the business too, – we look for signs of how robust it is."

Ian McKenna, of mortgage broker Blyth McKenna, says some people may find that the bank handling their business deals might consider providing a mortgage on more flexible terms than the societies. And some of the centralised lenders – which fund their businesses through the wholesale markets instead of deposits – may be willing to give loans on less rigorous terms than the societies.

Centrebank, a division of Bank of Scotland, has a "special status" loan for those with a minimum deposit of 30 per cent. Applicants state the nature of their employment and the bank will take up a *previous lender's reference* (although first-time buyers will also be considered) and a bank reference. It would not usually want confirmation of income. The application fee is £200.

Self-employed people wanting more than 70 per cent of the purchase price need to provide a letter from an accountant stating their income for the previous three years, and a set of the past year's accounts.

Capital Home Loans, the UK mortgage arm of Credit Foncier de France, does not ask for detailed accounts although it will contact the accountant to verify the details supplied by the self-employed person – who must have been in business for at least three years.

The maximum proportion lent will be 75 per cent of the value of the house, up to £150,000. Re-mortgages also are considered, to a maximum of 70 per cent of the value. The completion fee is £175 and the mortgage-holder pays a quarter percentage point above the present standard variable rate of 7.95 per cent. But first-time buyers are not eligible.

Earlier this month, Prudential launched a mortgage for the self-employed. It requires a letter from the accountant confirming that the business has been trading for 12 months and that the applicant can afford the payments. The loan is for a maximum of 75 per cent of the purchase price and there is an arrangement fee of £250. While the interest rate is 9.8 per cent, the Pru says this is due to come down soon.

The Bank of Ireland and UCB also accept self-employed people on flexible terms. However, the choice in the market is not wide.

McKenna blames the problem generally on "a knee-jerk reaction to what has gone on in previous years when lenders generally abused the non-status facility in order to gain market share." He adds: "Those picking up the tab now are the good customers in the self-employed market."

Investments with a sense of Balance

***Philip Coggan** on a sector that looks attractive for first-timers*

THE UK Balanced sector might seem attractive for investors making their first move into unit trusts. Funds invest in a mixture of bonds and equities and, accordingly, tend to have a relatively high yield – which can be made even more appealing in a personal equity plan.

As a sector, UK Balanced ranked eighth of 21 in the industry over the three years to April 1, with the average fund returning 24.9 per cent (offer-to-bid with income re-invested); and seventh of 20 over 10 years, with an average return of 284.2 per cent.

To qualify for the sector, a fund must have no more than 80 per cent of its portfolio in either shares or fixed interest. This gives the manager a lot of latitude. At the most conservative end, the fund could have 80 per cent in gilts and the rest in utilities such as water stocks. But an aggressive manager could have 80 per cent in equities and the rest in convertibles.

'Managers are given a lot of latitude'

So, first-timers need to choose a fund which meets their own risk preference. Unit trust managers should be prepared to send potential investors an annual report, setting out the fund's policy.

The best performer in the sector over 10 years is Henderson Extra Income. Manager Kate Medd tries to run it for the private investor: her portfolio is split 80 per cent equities and 20 per cent bonds and she tends to favour high-yielding shares, a section of the market which has performed well over the past few months.

Over three years, the fund is 17th of 33 and it has an above-average performance over both one and five years. The present quoted yield is 5.06 per cent.

Over the short term, the best performer is Perpetual High Income. This fund is top over both three and five years and second over one year. Neil Woodford, who runs it, says the maximum 80 per cent is invested in equities. The trust holds more than 80 stocks, with no position worth more than 5 per cent. In terms of selection, it has been recovery-oriented.

Although Woodford admits the move into recovery stocks might have been premature, it meant the fund was well placed for the market's post-ERM change of direction. The trust has moved gradually into an overweight position in medium and smaller sized companies, which also has improved its showing in recent months.

Perpetual's performance – which has won it a number of fund management prizes – brought in a lot of funds from Pep investors at the end of the 1992-93 tax year. *Micropal* quoted its size on April 1 as £62m, but Woodford says the valuation is £95m now. The latest quoted yield is 4.52 per cent.

N&P's Higher Income trust is second in the sector over three years and top over one year. The trust is managed by Capel-Cure Asset Management (which also runs the highly successful Capability Growth and Capability Special Situations trusts).

Crispin Finn, co-manager with Leonard Klahr, says it does not own any conventional bonds but has a mixture of equities and convertibles. The trust takes a contrarian view and has benefited from its holding of recovery stocks. At £3m, it is small, but funds are flowing in with the help of the link to the National & Provincial building society. The present quoted yield is 5.07 per cent.

Gartmore's High Income fund is third in the sector over 10 years. Ross Watson, the manager, says it has a 35 per cent weighting in fixed interest; it switched into these because of a disappointing performance from high-yielding shares. The fund has a below-average performance over one, three and five years. Its latest quoted yield is 5.02 per cent.

The launch of three funds with a bond-equity mix earlier this year indicates this is a sector of the market which is likely to grow. Broadly speaking, the higher the proportion of bonds, the greater the yield and the more attractive the fund is to income-seeking Pep investors. A maximum of 49 per cent can be held in bonds for a trust to qualify for Pep status.

Cazenove's Bond and Utility fund, which has a 7 per cent yield, should appear in *Micropal* figures for the sector next month. But M&G's Managed Income trust, although it will have a bond-equity mix, is classed in the fund of funds sector and Fidelity's High Income fund will be classed under UK equity income. The vagaries of unit trust classification do not make the investor's life any easier.

Best UK balanced trusts over 3 years

Fund	% growth
Perpetual High Inc	63.6
N&P Higher Inc	48.4
Buckmaster High Inc	48.1
Arkwright Inc	40.8
Brit Life High Yld	40.8

Source: Micropal. Offer-to-bid with income reinvested over period to April 1.

Best UK Balanced trusts over 10 years

Fund	% growth
Henderson Extra Income	382.3
Lloyds Bank Extra Inc	346.5
Gartmore High Income	327.4
Midland High Yield	313.7
CU PPT Mthly Income	313.5

Source: Micropal. Offer-to-bid with income reinvested over period to April 1.

As They Say In Europe/ **James Morgan**

Mañana arrives: a bright Euro-dawn

THE *Easter headlines* read "Socialist Party in crisis meeting" and "Elections to be brought forward." The big opinion pieces were written by earnest men with titles like "Professor of Moral Aesthetics *at the University of Montpellier.*" Spain is like other nations, but with more respect for other nations.

All I know of the country comes from the papers and history books. And the papers are as dull as are the domestic *concerns of Spain these days.*

Apart, that is, from one glorious period last year when *El País* offered a specially commissioned detective story to coincide with the Olympics. One memorable episode opened with the words, "Inspector Carvalho *left the* Serbian javelin thrower in her delirium, singing the Interna*tionale, and wended his way* back from the hospital to the building of the International Olympic Committee." Those unfamiliar with post-modern Catalan deconstructionism would do well to study the works of the writer, Manuel Vázquez *Montalbán.*

That aside, Spain is the most normal of countries. It has *thrown itself into the process* of integration with astonishing enthusiasm, its national*ism is expressed in foraging* for as much cash as Brussels can provide.

It accepts the whole Maastricht ethos and much else: subsidiarity? Certainly not. Federal Europe is the thing. More power to Brussels' elbow.

Perhaps this is because Spain spent 40 years of this century subjected to the kind of crass, introverted nationalism that dominated others for *20 at most. But then it probably* spent most of the last millennium in that peculiar state. *Spain is the one European* nation that has shuffled off its unsavoury past through its *own efforts and, in effect,* "reinvented itself."

The normalisation of Spain *means that for foreigners the* dark allure of Holy Week in Seville has been overtaken by images of nihilistic self-indulgence limited only by the pos*sibilities of a packaged fortnight:* El Greco submerged by Salvador Dali.

It is not the land of Gerald Brenan's wonderful *Spanish Labyrinth.* Today *Homage to Catalonia* would be a publicity handout from the Barcelona Tourist Board. Hugh Thomas' *Spanish Civil War* is a magnificent history that might be of *another* country. And no bad thing.

The dark side that has nearly disappeared may not be worth having, but there is *something about* the Europe-

> *'Franco's African Legion marched into battle under the slogan: Long live death and down with intelligence'*

an-ness of contemporary Spain *that is all wrong.* "Africa," *ran* the cliche, "begins at the Pyrenees." That is hardly true *today.* The road signs are the same as the French and, although the country stretches as far west as Ireland, the time zone is that of Berlin and Warsaw.

It is 20 years since I found myself chatting to a woman in *Bilbao who told me that her* father had not been able to speak to anybody in his home town, Pamplona, since the day Franco landed in 1936. On hearing the news over the *radio while* playing *cards* in a local bar, he said, "That means trouble."

From that moment he ceased to exist in the eyes of his friends. They joined the *requêtes,* a fanatical army of Carlists, unorthodox monarchists, who supported Franco's cause and seemed even crazier than the African Legion which would marched into battle under the slogan "Long live death and down with *intelligence.*"

The man went to republican territory; I asked his daughter what he did then.

"Oh, he became a Liberal Democrat," she said.

"What did that mean?"

"It meant he shot everyone *who wasn't.*"

Today, I imagine, that man and his one-time friends are reunited, the only irreconcilable differences are over the relative merits of football teams. The Spain of anarcho-syndicalism and clerical fas*cism has disappeared with the* end of a nation that seemed to exist in a permanent *corrida.* *Spain has become efficient, mañana* just means "tomorrow."

In Italy 500 ago there was a saying, *mi venga la morte di Spagna* – "Let my death come from Spain." It was a prayer, which, if granted, would guarantee for immortality. Today such a prayer would mean death delivered custom-wrapped by Federal Express in 24 hours together with a "genuine hand-tooled morocco *leather-bound coffin and min*iature stainless steel-style Toledo sword replicas."

The press holds few comforts for the traditionalist: the *Letter from the Editor in El Mundo* last Monday concerned the row in the Socialist Party and appeared under the headline, "Both sides are right." I could find only one remnant of *España auténtica* in that edition of the paper. It was in a story headed, "A source in the *Ministry of Defence says that a* woman is less stable than a man." Many members of the *armed forces do not accept a* woman as an equal "and still less would they take orders *from one." Somewhere the real* Spain still exists.

■ *James Morgan is economics correspondent of the BBC World Service.*

Trevor Humphries

On show: Mike Pester, chairman and managing director of Fox's spices, with his wares at the Ideal Home Exhibition

Long haul in the spice trade

***Clive Fewins** on the slow growth of Fox's and its strategy for showing its wares*

SPICES bring variety to the life of the Pester family. When Mike Pester, now 59, bought the loss-making Fox's spices for a £200 25 years ago he inherited a business that owned one ageing Renault 4 van, sold a small range of herbs and spices, and had a trading *loss of £25,000.*

"It was a marvellous time to buy," said Pester. "The tax credit kept the Inland Revenue off my back for the first few years, I was gradually able to buy stock from the former parent company, and the van stayed on the road for another *three years.*"

At the time Pester was a salesman with the now defunct *Cavenham Foods. Fox's spices,* was part of the group's German operation.

Nowadays "Mr Fox" as Pester is known throughout the trade, controls a company with nearly 400 product lines, 1,000 retail outlets, a workforce of 35, a fleet of 17 vehicles, and a turnover of just under £1m.

Fox's name is most in the public eye at large agricultural and other shows. Its wares can be sniffed out by foodies at some 50 shows, including The Royal Show and the Ideal Home Exhibition. Forty per cent of sales come from shows. The rest come from *mail order,* the trade, and retail sales.

Pester decided on the show policy in 1971. "It was *simple really,*" he said. "We found the sales of spices and herbs slumped in the summer because people refrained from eating heavier cooked meals *and ate salads instead.* At the time we had no product answer.

"But by *selling at low prices* direct to the public at shows we found the supplies they bought from us lasted a whole year and our loyal customers returned, rather than buying at inflated prices from their local supermarket in the interim period."

The move into shows was the start of a period of expansion that has continued in spite of the recession.

"If anything the recession has done us good. More people *are eating at home* and using herbs and spices to make cheaper cuts of meat more *interesting," Pester said.*

He also thinks that entry into the European Community in 1973 *aided business.*

"Food prices went up and the English housewife was forced *to do what her continental* equivalent had been doing for years – making cheaper meats *more tasty by the use of herbs* and spices."

At the same time there was the large increase in the popularity of ethnic foods – both in restaurants and at home. Pester supplies herbs and spices to many of the shops and restaurants opened by Asian immigrants in Britain in the last 20 years.

The expansion of the company, which is jointly controlled by Pester, his wife Fay and son Andrew, 31, has been steady but unspectacular.

All this will change in May, when Fox's moves from the former village garage at Wilmcote, Warwickshire that has been home for the past 17 years, to a new *headquarters* in nearby Stratford-on-Avon.

The 12,000 sq ft former print*works will give Fox's four* times the space it has in Wilmcote. Nearly all the extra space *will be used because Pester* plans to expand into "wet mixes" or pastes. This will create at least *half a dozen jobs.*

Wet mixes will mean more raw materials arriving in huge *sacks from the spice mer*chants which supply Fox's, but they will also mean a big sav*ing on the 30 or so lines that* the company buys ready mixed from a Dutch supplier.

*These lines consist of bum*bus, for cooking Indonesian dishes, and sambals, an Indo*nesian chili relish. An old* Indonesian friend of Pester's, John Stekkinger, who works in the Netherlands, will be on loan for a few weeks to help commission equipment and to work on the new mixes.

The cost of importing heavy, ready-mixed spices is high. It is also expensive to mail the wet mixes in glass jars and these can break. Fox's post the sambals and sauces in glass jars but Pester and his team are looking at other methods, such as the plastic vacuum packs for mailing the mixtures.

"The gains from the expan*sion will rapidly pay off the* cost of the bridging loan we took out at the end of last year *to cover the period between* the purchase of the new building and the eventual sale of *the Wilmcote premises,*" *he* said.

"Making everything we sell *is the obvious way to go.* In addition it gives us better quality control and more chance to *develop new lines and means* of presentation, notably converting some of the dry mixes, *for which we have a excellent* reputation, into wet mixes." Novel methods of exploiting *the mail order market* will be the other top priority in the new building.

"We *have* three representatives more or less permanently on the road in vans and estate cars," Pester *said.* "Delivering a small order to a far-flung place can be uneconomic, so *we plan to make more use of* professional carriers and to use our sales force more to develop accounts with large caterers and public bodies.

"Combined with the greater space available to expand our mail order section this is the way we see the business going for the next few years."

■ *Fox's Spices, Aston Cantlow Road, Wilmcote, Stratford-on-Avon, Warwicks CV37 9XN. 0789-266420. Free mail order catalogues are available.*

Computing

Secret of the free Windows software

***David Carter** on a hidden word-processing package*

THE WORLD'S top word processing *package sells around* 1m copies a month, with over 22m sold to date. Is it *Word for Windows* perhaps, or *WordPerfect,* or maybe *Wordstar?* No, compared with *THIS* package these are small potatoes. The top seller sells more than all three put together.

So which is the world's best-selling word processor? The answer, of course, is *Windows Write,* which comes free with every copy of *Microsoft Windows.*

I have been using *Write* for a couple of months now and very *impressed I am too. All the* basic functions are there - word wrap, cut and paste, layout controls, and the full range of Windows fonts. Very similar in appearance to *Microsoft Word, Write* only lacks *Word's* heavyweight features for han*dling multipage* documents and sophisticated page layouts. For the two-finger typist who wants to produce basic *letters,* memos and reports *Write* is ideal, and its simplicity makes it one of the easiest packages to learn. But the computer *industry despises the simple* and applauds the complex, so *Write* is virtually ignored.

Of those 22m *purchasers of Windows,* I would be willing to bet that a high proportion have no idea that *Write* exists, let alone that they own a copy. If *there is a PC in your office* which has been bought during the last two years, there is a good chance that unknown to you *Windows Write* has been *sitting there all the time.* Perhaps you should take a look?

You will need some help to find your way around *Windows* and *Write.* Unfortunately, the Windows manual is difficult to use. Nor can I find any recom*mendable* self-teach books on Write. Few of them take it seriously. The best of a mediocre bunch is Robert Cowart's *Mastering Windows 3.1* (Sybex).

I have put together a brief *tutorial to help you find out* whether you have *Windows* on your PC and how to get started on *Write.* I have assumed you are a non-mouse user so a mouse is not required. (By the way, if you do *not* use *Windows* you may believe that you cannot use it without a mouse. Not so. In fact, the key to becoming productive in *Windows* is to forget the mouse and to master the keyboard commands just like a DOS package. A full set of these "keyboard shortcuts" can be found in Appendix C of the *Windows manual).*

1. First, check that you have *Windows:* start up the computer. It should display C:\> (the "C prompt") Type cd\windows and press Enter If the screen now displays c:\windows> you are in business
2. Type "WIN" and press Enter. The Windows screen appears, headed "File-Options-Window-Help".
3. Call up the "Window" option *by holding down the Alt key* (to left of the spacebar) and pressing W.
4. Use down arrow to highlight and select accessories.
5. The 13th Windows accessory programs (Paintbrush, Notepad etc) appear. Write's icon is a quill pen. Use the arrow keys to highlight Write. Press Enter. The heading "Write – (Untitled)" appears over a File-Edit-Find menu. You are now in *Windows Write.*
6. Bring up the "File" menu by pressing Alt-F.
7. Press the right arrow six times to go through the other menus, finishing at the Help menu. Some of the options are grey: they cannot be used.
8. Now, from the Help menu option, press right arrow once more. You see an unexpected menu headed "Restore, Move etc". It shows the all-important Alt-F4 key which is rather like Escape in DOS. There are also commands for varying the size *of the screen. "Maximise"* the Write *screen now pressing* X.
9. Press Alt-H for Help and Enter for Contents. Press down arrow to list all the features of Write. Look at the bottom one – *"Document Help Commands"* by pressing the Tab key repeatedly and working your way down (if you go too far, shift-tab will take you back). Enter to read the Help screen.
10. Exit from Help by pressing Alt-F4. You are now back at the blank File-Edit-Find screen. At this point either start experimenting or use Cowart, chapter nine.

Cut and paste in *Write* is delightfully easy. Try this. Type three lines. *Now cut and* paste line one to below line three *as* follows: move the cursor to the start of line one: Shift-Down arrow *to highlight* line *one; Shift-Delete* key *to* delete line one. Move the cursor to below line three; Shift-Insert key to insert line 1.

If you use a mouse you can *accomplish* most of the above by moving and pointer to the instruction you want and clicking the button.

You will find that the rest of Write is similarly elegant and simple. No wonder this is the world's best selling word processing package.

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FOOD AND DRINK

Let's go for a bite at the opera

*Restaurant critic **Nicholas Lander** combines a night of culture with a meal on the town*

GOING TO the opera or a show in central London? Then where do you go to eat? There are increasing pressures on achieving that elusive sensation of combining an uplifting cultural experience and a good meal. Cost and time are the most obvious as opera, concert and cinema ticket prices rise and managements, in an effort to minimise overtime after 11.30pm, bring forward their curtain-up.

Bringing your own sandwiches for the interval may be one way of staving off the hunger pangs. For others this may detract from the pleasures of the first act. And what about eating out after the performance when there are fewer restaurants and cafes open until the early hours? Here are some ideas about where to eat. It is not a definitive list and it is obviously best to book in advance to let the restaurant or cafe know your requirements. For combining an evening meal with a night out I have split central London into areas – the places around Shaftesbury Avenue, the streets near the English National Opera, in St Martin's Lane, and eateries near Covent Garden, Wigmore Hall, the Barbican and the South Bank. They are placed in two categories: the first for special celebrations and when you are on expenses, the second for when you are paying yourself. Bon appetit!

Shaftesbury Avenue

1. **The Oak Room,** Le Meridien Hotel, Piccadilly (734-8000), **Alastair Little** (734-5183) and **L'Epicure** (437-2829) Frith Street, **Bentley's** (734-4756) Swallow Street, **Au Jardin des Gourmets** (437-1816) and **The Gay Hussar** (437-0973) Greek Street, **Fuji** (734-0957) Brewer Street and **Manzi's** (734-0224) Leicester Street, **Quaglino's,** Bury Street (930-6767), **The Square,** King Street (839- 8787) and **Le Caprice,** Arlington Street (629-2239) offer the chance to stretch one's legs.

2. **Cafe Royal Brasserie,** Regent Street (439-6320), **Hamine** a Japanese noodle bar (439-0785) and **Hokkai** (734-5826) a Japanese restaurant, both on Brewer St, the **Criterion Brasserie,** Piccadilly Circus, (925-0909), **Pizzicato,** Rupert Street (734-0122), **Cafe Fish,** Panton Street (930-3999), **dell' Ugo** (734-8300), **Est** (437-0666), **Bahn Thai** (437-8504), **Chiang Mai** (437-7444), **Soho Soho** (494-3491) all Frith Street, **Wheeler's,** Old Compton Street, (437-2706), **Melati,** Great Windmill Street (437-2745) Malay and Singapore food, **The French House Dining Rooms,** Dean Street (437-2477), **The Red Fort,** Dean Street (437-2525), **Jin,** Korean food on Bateman Street (734-0908). **Pizza Express,** Wardour Street (734-0555) and the **Swiss Centre,** Leicester Square (434-1791). For vegetarians, **Mildreds,** Greek Street (494-1634), **Olive Tree,** Wardour Street (734-0808) and the **Neal's Yard Dining Rooms** (379-0298).

Or venture into Chinatown. The best dim sum, useful pre-matinees, are at **London China Town,** Gerrard Street (437-3186). **Ley-Ons,** Wardour Street (437-6465) and the cavernous **New World,** Gerrard Place (434-2508). The better Chinese restaurants include **Ming,** Greek Street, (734-2721), **Mayflower** (734-9207) and **Dragon's Nest** (437-3119) both on Shaftesbury Avenue, **Joy King Lau,** Leicester Street (437-1132), **Fung Shing** (437-4170) and **Poon's** (437-4549), Lisle Street. Close by, on the site of what was the Petite Launderette, is now the **Tokyo Diner** (287-8777) for a quick, cheap Japanese meal.

Interesting pubs include the **Blue Posts,** Rupert Street, **Coach & Horses,** Greek Street and the **Dog and Duck,** Bateman Street.

St Martin's Lane

Sandwiches and drinks can be ordered for the intervals at the **Coliseum** and more formal meals for groups in private rooms (836-0111).

1. **The Ivy,** West Street (836-4751), **Giovanni's,** Goodwin's Court, (240-2877), **Beoty's,** St Martin's Lane (836-8768) **Mon Plaisir,** Monmouth Street (836-7243), **Neal Street Restaurant** (836-8368), **L'Estaminet,** Garrick Street, (379-1432) and **Le Palais du Jardin,** Long Acre (379-5353).

2. On St Martin's Lane, **Pret a Manger** for self service, filling sandwiches open until 22.00, **Aroma** (836-5110) for better coffee, and for more serious food **Cafe Flo** (836-8289) and **Cafe Pelican** (379-0309). Two good wine bars, **Solange's,** St Martin's Court (240-0245) and the grand-daddy of them all, the **Cork & Bottle,** Cranbourn Street (734-7807). **Tageen,** Upper St Martin's Lane (836-7272) for Moroccan food and **Kagura,** West Street (240- 0634) and **Ajimura,** Shelton Street, (240-9424) for Japanese food and for more prosaic, British cooking, **Smith's,** Neal Street (379- 0310). Good pubs include **The White Swan,** New Row, **The Lamb & Flag,** Rose Street, **The Essex Serpent,** King Street and the **Lemon Tree,** Bedfordbury.

Covent Garden

The Royal Opera House has its own caterers which serve meals in the **Crush Bar** and **Pit Lobby.** Telephone 836-9453.

1. **Boulestin,** Henrietta Street, (836-7061), **Orso** (240-5269), **Simpsons-in-the-Strand** (836-9112), **Poons** of Covent Garden, King Street (240-1743) and **The Savoy** (836-4343) with the **Upstairs Bar** useful pre-theatre and the newly revamped **Waldorf Hotel,** Aldwych (836-2400).

2. Old favourites include **Joe Allen,** Exeter Street (836-0651), **Tutton's,** Russell Street (836-4141), **Cafe des Amis du Vin,** Hanover Place (379-3444), **Bertorelli's,** Floral Street (836-1868), **Luigi's,** Tavistock Street (240-1789), **Rules,** Maiden Lane (836-5314) and **Magno's Brasserie,** Long Acre (836-0677). Relative newcomers are **Boulevard,** Wellington Street, (240-2992), **Flounders,** Tavistock Street, (240-0883), **Plummers,** King Street (240-25340), and **Smollenskys** on the Strand (497-2101).

Covent Garden encompasses some of London's oldest pubs – the **Globe,** Bow Street, **Nell of Old Drury,** Catherine Street and the **White Hart,** Drury Lane.

The South Bank

The Royal Festival Hall. Within this mighty complex are a restaurant, **Review** (921-0800) with a stunning river view, open 17.00-20.00 except Saturday and Monday, the Festival Buffet including a pasta bar, open 12.00-22.00 and the **Riverside Cafeteria** for light meals open 10.00-20.00.

The National Film Theatre houses a useful self-service cafe and bar. The National Theatre's main restaurant is **Ovations** (928-3591) open 12-14.00 and 17.30-23.00 and the **Terrace Cafe** (401-8361) for lighter meals plus the **Lyttleton Buffet** and bars.

Close by are the **Archduke Wine Bar** (928-9370) Concert Hall Approach, **RSJ** restaurant (928-4554), Coin Street, with a wonderful wine list. **La Rive Gauche** (928-8645) and **Meson Don Felipe** (928-3237) along The Cut.

The Wigmore Hall

In the basement of the Wigmore Hall is the newly opened **Wigmore Restaurant** (487-4874). The restaurant is open from 12-15.00 and 17.30-20.00, the cafe/bar from 11.30-23.00.

Just around the corner are the **Restaurant and Arts Bar,** Jason's Court (224-2992) and **Zoe,** 3-5 Barrett Street, (224-1122).

The Barbican

Searcy's manage the catering in the Barbican with the **Brasserie** on Level 7 (588-3008) 12-15.00 and 17.00-23.15 and also the banqueting facilities within the spectacular **Conservatory.** Justin de Blank manages the **Waterside** restaurant 12-20.00, the **Balcony Cafe** on Level 6 (17.00-20.00 Mon-Fri, 12-20.00 weekends), **Cafe on Six** and the two coffee points, levels 3 and 5.

Close by are **Alba,** Whitecross Street (588-1798), Stephen Bull's **Bistro,** St John Street, (490-1750). **The Quality Chop House,** (837-5093) and opposite, **The Eagle** (837-1353), both on Farringdon Road.

Appetisers

NOW IS a good time to buy sea kale. The leaves – waxy, blue-green and coarsely toothed – are tastiest when young and should be steamed and eaten with melted butter and flakes of freshly grated Parmesan or eaten raw in salads. Michael Paske grows it on his Grantham, Lincolnshire, farm following roughly the same methods used by Victorian gardeners. The cut fresh vegetable is available by mail order until the end of July; a standard pack of 500 gms costs £6.50, inclusive of post and packing. It is also available at Waitrose supermarkets at £1.45 for a pack of 135 gms. Ring 0400-50449 to order.

Lucinda de la Rue

Cookery / **Philippa Davenport**

Nice, nutty and healthy

Buckwheat, a substantial staple, shows its lighter side

I USED to associate buckwheat only with Russia and sturgeon. Flour made from tiny, nutty buckwheat seeds and raised with yeast produces blinis which, when teamed with the roe of that fish and tots of vodka, make a memorable feast. The grain itself is also traditional with the flesh of the fish (or sometimes with salmon), together with mushrooms, onions, dill, butter and soured cream, the whole lot wrapped in a brioche parcel known generally as coulibiac.

Now, I have learned that buckwheat is also a staple food of the people of Valtellina, in the northern fringes of Italy where the alpine peaks that rise from the valley are so snow-packed that you can ski in high summer.

The buckwheat dishes I ate there were wonderful – and very substantial. The coarsely-ground seed is mixed with maize meal and whipped up with butter and cheese to make taragna, a splendidly rich variation on polenta. Buckwheat flour is used to make ribbon noodles called pizzoccheri. A dish of the same name – consisting of the noodles cooked and served with potatoes, cabbage, garlic, sage, butter and cheese – is marvellous, rib-sticking fare and just the ticket to revive you when you have spent the day swooping on skis or pony-trekking.

Recipes like these are too good to miss, but I shall save them until next winter. Instead, I shall make some lighter suggestions – for which you will need to buy a packet of buckwheat flour or saraceno. You will find it sold in many health food stores as well as Italian specialist shops and delicatessens. Store it in the refrigerator when you get it home; it will keep better, and longer, than if you leave it in a kitchen cupboard.

Use small quantities of buckwheat flour to replace some of the wholewheat in bread-making. This gives loaves good, nutty flavour, agreeably light

texture and an attractively-speckled look. I also like using buckwheat in batter and, particularly, shaping the batter into small cakes, like king-size drop scones.

Serve them for brunch or Sunday supper topped with similarly large mushrooms, fried or baked with garlic and butter. Add a scattering of chives or dill plus, perhaps, a few rashers of bacon on the side. Or, offer them as a generous first course for dinner teamed with sautéed chicken livers, onion marmalade and soured cream, or a fresh tomato salsa with basil.

Last, buckwheat batter without the pepper can be served for breakfast to spread with butter and honey or marmalade – a lovely change from toast or croissants.

BUCKWHEAT BATTER

(Makes 8 rounds about 4 inches in diameter)

Ingredients: 2 oz buckwheat flour; ¼ teaspoon baking powder; a good pinch each of Maldon salt and freshly-ground black pepper; 1 oz butter, at room temperature; ¼ lb cottage cheese; 3 tablespoons milk beaten with 2 large eggs.

Method: Put the buckwheat flour and raising agent into the bowl of a food processor or blender. Season, add the butter, cut into dice, add the cottage cheese. Mix briefly. Pour on the liquids, adding them through the hole in the lid while the machine is running, and continue processing until the ingredients are blended to a thick, creamy batter.

Heat and lightly butter a small griddle or omelette pan. Ladle enough batter into the pan to make a 4-inch circle and cook over moderate heat until bubbles begin to show and the batter is sufficiently cooked so that you can slip a spatula under it easily.

Flip it golden side up and cook for a few seconds more until the second side is set. Then, remove it from the pan, wrap it between the folds of a napkin and slip it into a low oven to keep tender and warm while you cook the rest. Serve in any of the ways described above.

TRAVEL

Ho-ho, Ho Chi Minh

***Nicholas Woodsworth** travels out-of-season to the Vietnamese capital*

Two soldiers in Hanoi: it is not a communicative city

HANOI, for me, begins on the back of a motorcycle some 1,200 kms to the south, in the early-morning streets of Saigon.

Sitting behind Mr Ha, I have my baggage slung across my back and my heart in my throat. Mr Ha runs the tiniest of businesses from a narrow ground-floor hallway in central Saigon; he owns half-a-dozen bicycles and rents them out to tourists. But he is such a kind man that when I asked him about taxi transport to Tan Son Nhut airport for a dawn flight to Hanoi, he insisted on taking me himself.

No problem at all, he indicates with sign language and *the few English words* he knows; he has a motorcycle. *Mr Ha's mime of revving a* motorcycle engine is not the most convincing, *for he has* only one arm. But his offer is so kind I take it anyway.

Does one ask for a sign-language explanation of such a misfortune in the middle of Saigon's anarchic traffic? One does not. One simply holds on and prays. But over coffee at the airport Mr Ha demonstrates how he lost his arm.

Using his stump to hold down a piece of paper, he *draws row after* row of stippled lines with a pen, and makes deep rumbling noises *in his* throat. "Me Hanoi VC. Viet Cong." *He* giggles, *apologetically*, as if the whole thing were some mild and amusing embarrassment, a fault of his own. In 1971, a 20-year-old recruit with the army of North Vietnam, he was hit by shrapnel in one of the United States' countless B-52 carpet bombings of Hanoi. It is one of the sadder introductions I have had to a *city*.

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Not so sad are *Massimo and* Sandro, whom I meet aboard a Vietnamese Airlines Tupelov bound for the capital. They are Milanese freelance photo-journalists, collecting stories and pictures to sell to some of Italy's more lurid colour magazines. They have just claimed *an Italian scoop for their coverage* of the Miss Saigon beauty *contest. They are on their way* north to interview General *Giap, military mastermind of* colonial France's defeat in Indochina and second *only to* Ho Chi Minh himself in the pantheon of modern Vietnamese heroes.

Today Giap is an old man and no longer a central committee member but, none the less, difficult to see. How was that arranged, I ask, full of admiration. I have found even simple administrative procedures here maddeningly complicated. It was nothing, they say with only the tiniest shrug of Latin bravado, simply a short call to the ministry of information.

The countryside as we approach Hanoi reminds Massimo and Sandro of the north Italian plain in winter. In Feb*ruary* the table-flat surface of the Red River delta is chilly, *grey and wet. Fresh from the* colour and sunlight, the sen*sual distractions of the south,* the Italians are already finding Hanoi depressing. As we land they are once again discussing Miss Saigon's legs.

We install ourselves in the Gold Hotel in the centre of Hanoi. Like the rash of *new* hotels that have sprung up in the last year or two, it tries to cater to the tastes of Hanoi's growing number of foreign visitors. Homesick. Massimo tries the spaghetti bolognaise.

His eyeballs roll upwards with the first fork-full – Hanoi, *he reports to the maitre d'* who hovers anxiously behind him, still has some way *to go* in matters of western cuisine. *The maitre d'* apologises *profusely*: he is not familiar with Italian food. In fact, he is not professionally familiar with food at all. He is a plastic surgeon who has taken a second job to make ends meet. Things are difficult these days in Hanoi, he tells us. How much does he *make at the hospital* where he works, we ask. About *$11 a month, he replies. We* stop complaining about the *food*.

In the afternoon we go for a *walk. For anyone arriving* from the bright tropical bustle of Saigon, Hanoi in February is a dismal place, drab, dour, dejected, dressed *in funereal* grey.

This is the *season* marked by what French colonists called the *crachin* – spit – and the Vietnamese in their own language more poetically refer to as "rain dust." When dry winter air sweeps southwards out of central Asia and meets humidity over the Gulf of Tonkin, a fine mist of suspended water particles descends upon the city for weeks at a time. It is cold, thin and cheerless.

Outside, I can hardly believe that north and south Vietnam are two parts of the same country. Saigon's boulevards are lively and cheerful, a zingy blend of commercial hustle and outdoor *social* get-together. There is laughter, shouting, music from sidewalk speakers. For visitors there are inquiring glances, imprecations from cheeky children, ingenious sales pitches to buy watches or *cauliflowers. There is contact* on Saigon's streets, and foreigners get drawn *into its life* whether they want to or not.

> *You have to work hard to enjoy yourself in Hanoi – especially in the cheerless time of crachin, when there is not much to laugh about*

There is little contact on Hanoi's streets. Massimo, Sandro and I walk through the grey *crachin* beside the Hoan Kiem, a lake that lies in the city centre like a sheet of cold slate.

Decades of hardship, sacrifice and autocratic rule seem *to have left the people of Hanoi* without much joy or ability to express it. There are no *smiles*, no hellos, no propositions commercial, salacious or otherwise.

Hunched old men in glasses, dark raincoats and berets drift by us, the last of a colonial generation. Younger generations seem hardly more cheer*ful – in browns and greys and* olive drabs, in khaki pith helmets and worn-out *military* surplus wear they go their sombre way. Hanoi's people seem no more high-spirited indoors than out. In a café so cold that its patrons wear their Russian-style hats with the ear-flaps down, we sit in doleful silence.

Attempts at conversation bring the shortest of answers. *Even the dogs* here are uncommunicative; in the market of the city's old quarter we watch a women with a large cleaver dismember a cooked, lacquered dog and set out its head as an advertisement. Massimo, still homesick, says it has the same eyes as his dog back home.

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The days pass, the interview with General Giap, to which the Italians have invited me, comes no closer. I suspect it never will. Over Hanoi hangs not just a mist but the heavy hand of a Confucian-style, by-the-book bureaucracy designed not to facilitate but to inhibit. I take myself off to see Ho Chi Minh.

Since 1975, Ho has resided in a grey marble and granite building not far from Hanoi's military Citadel. He seems to be as popular in death as he was in life. Every day fleets of buses make their way past *magnificent colonial* villas to deposit school-children, factory workers and *village* peasants at the mausoleum of the man who did away *with French* Indochina.

No photography, no *shorts*, no hats on heads, no hands in pockets, no irreverence. These are the rules that govern a pilgrimage to the glass sarcophagus deep in the bowels of the mausoleum. Shuffling slowly forward in an awe-struck queue, I gaze at Ho's famous wispy beard, his bald, liver-spotted pate. He is waxy-looking.

In the past, Ho's thin, embalmed body has spent two months a year in Moscow undergoing maintainance. With Russian aid and personality cults things of the past, *what will happen now?*

Far livelier is the small group of elderly men *I meet* every morning in a shabby café not far from the hotel. They are retired academics from Hanoi's universities. Mathematicians, physicists, literary lecturers, they spent their youth *studying* in France. Today they are back on the left bank once again, reviewing de Chardin, debating the philosophes, arguing for or *against Gide. Why, I* ask them? On their tiny pensions, they laugh, it is the only pleasure they can afford – just the price of a cup of coffee.

For $4 apiece, Massimo, Sandro and I go to the VIP Club, just about the hottest – indeed, just about the only – night *spot in town. After four* decades of isolation, Hanoi is *opening up to the outside* world. Down the road, the Credit Lyonnais has opened an office. The Bank of America has announced its intention of doing the same. The Pullman Hotel group has renovated the Metropole, now the most elegant hotel in town. Not even the infamous "Hanoi Hilton", the prison in which downed US pilots were kept during the war, is to be spared; soon it, too, will be converted.

For foreigners, diplomats and for the government officials wealthy enough to use it, the VIP Club is a taste of another world. There are disco hits and strobe lights. There *are sophisticated* bar girls who drink Johnny Walker Black *Label*. There is one machine that produces clouds of vapour, another that spills out bubbles. Sandro dances, surprising party cadres with innovative Mediterranean gusto. For a *while, even Massimo* cheers up.

It is *all* short-lived, though. The next morning, after a final phone call, the *Giap* bubble pops. As they pack their bags, they consider the bright lights of Manila, the charms of Jakarta, the lures of Bangkok. They consider just about anywhere, in fact, that will get them on an aircraft out. I take a train to Haiphong and that much reputed north Vietnamese wonder, Halong Bay.

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The countryside around Hanoi *is as poor as any I have seen in* Asia. I am not even sure I am on the right *continent*; from the rail line you can see mud huts as miserable as any in Africa. South-east Asia's technological revolution seems to have by-passed the Red River delta.

In the port of Haiphong, I find a Moscvich communal taxi to take me on to Halong. Despite the lace curtains in the back window, it is old and ailing. Halfway there, we grind to a halt *in a stretch of greasy* mud. The driver crawls under the engine and bangs away. When he is finished we have everything but battery power and an ability to change out of third gear. We four passengers gather behind the car and push as fast as we can. It coughs into life and we throw ourselves in through the open doors. *Ninety* minutes, several villages and many startled *chickens later, we arrive at* Halong without having slowed down once.

"You must stay in Room 208 at the Halong Hotel 1", a French tour guide had drooled at me in Hanoi. "Catherine Deneuve slept there, you know, when she filmed *Indochine*."

With or without Catherine Deneuve's bed (I end up in *Room 106 at the Halong* Hotel 2), I find the bay superb. From the town of Bai Chay I board a tour boat in a heavy drizzle. Slowly, as we head out over calm water, the *crachin* lifts and delicate bobbing sampans appear. *A few minutes* later, Halong's 3,000 green and sheer-sided *islands, each a miniature* alp, emerge from the mist.

I am elated. This is as cheering as a chat with General Giap. I only wish Massimo and Sandro could be here. Miss Deneuve's is one north Vietnamese address they would have enjoyed.

■ *Worth knowing:*

Hanoi's cold and foggy winter is followed by the blue skies of spring: the best time to travel in the north is between April and October.

Independent travel is possible in Vietnam and Royal Thai Airlines, Cathay Pacific and Singapore Airlines all fly to Saigon and Hanoi from London for between £600 and £750 return airfare.

In London, visas, air travel, accommodation and car and driver can be organised by Vietnam Tourism, tel: 081-961-0117. A two-week tour, exclusive of airfare, costs about £1,000.

Practical Traveller

Smart way to fly

THE STORY two weeks ago about my magical mystery flight to Bali aboard Garuda, the hapless Indonesian state airline – we stopped four times and endured a door-to-door travelling time of 28 hours – has drawn a reply from Timothy Knight, managing *director of Eastravel*, **writes Michael Thompson-Noel, Travel editor.**

Eastravel, an air travel consultant and organiser based in Ipswich, specialises in tailor-made holidays, especially to the Far East.

Knight writes: "Whilst I fully agree with your philosophy of ensuring the most direct or non-stop flight for a long-haul journey to a single destination, those flights on quality airlines which stop *en route* offer the opportunity to stop over, thus getting far better value for money and a chance to break up the journey into smaller sectors.

"For example, the journey undertaken by yourself to Indonesia could have been just a one-stop flight with Singapore Airlines, which Eastravel offers as a possible choice; or up to three stops flying with Emirates (the airline of the United Arab Emirates). The stops could be selected in either direction and then combined with Singapore Airlines' (one-stop) flight in the other.

"*En route* to Indonesia, Emirates offers Dubai and the Emirates with a *choice of adventure* and superb hotels; Sri Lanka, *with possibly a chauffeur-*driven tour; and then Singapore, a gateway to Malaysia. All these possibilities could be combined with an overland tour in Java ending finally (exhausted) in a Bali resort.

"Similar journeys can be organised to Japan and Korea, Australia and New Zealand, via numerous Oriental countries."

This is all quite true: the market in stop-over travel is large and growing. You can do virtually anything you want and stop anywhere you want, though you need a perspicacious travel agent to help you wade through the fine print and spot the best-value deals.

> *The market in stop-over travel is growing. You can do as you please*

As Timothy Knight acknowledges, my whinge was about the time taken on Garuda just to get to Bali. I didn't *want* to stop in Paris, Abu Dhabi, Singapore and Jakarta; but I did.

If you are planning a single-destination long-haul holiday, *try and* get a non-stop flight. Failing that, insist on the most direct (fewest stops) flight available. You may encounter trickiness. Many airline staff use the word "direct" to imply "*non-stop*." I have heard them do it time after time.

Keep flying hours to the minimum. Do not patronise airlines that take you all round the houses for obscure reasons of their own.

I used to have a rule that 15 hours' flying time was the maximum I would consider *without a proper stop* and rest. It sounds wimpy, but I plan to *re-adopt* it. If you fly for 20 hours or more you can suffer severe jet-smack, and that can spoil your holiday.

If you can afford the time for genuine stop-overs and mini-breaks as a way of interrupting your journey, get some specialist brochures, including those of the airlines. Eastravel has its own. (Eastravel: 79 Norwich Road, Ipswich IP1 2PR, tel: 0473-214305/210770, fax: 0473-232740).

■ *Useful for would-be holiday litigants is* Successful Holidays, And What To Do If They're Not, *by Michael and Jacqui Welham, which serves three broad purposes. It decribes the parties involved in travel, from operators and agents to travel associations. It steers you towards holiday success with pointers and advice. And it explains the varied options for winning compensation if things go wrong.*

It offers numerous case histories, and describes the impact of the new EC directive on package holidays. There is a directory of addresses and telephone numbers for government offices, tourist boards, embassies, travel associations, airlines, vaccination centres, what have you. Available in some bookshops and newsagents, also from: J A W Publications, Becketts Cottage, Bungay Road, Hempnall, Norfolk NR15 2NG, England. Tel: 0508-498103. £7.99.

TRAVEL FOCUS: ITALY

To Sicily with a strawberry blonde

James Bentley is thoroughly upstaged

"WE NEED to promote Sicily," said Dr Bevacqua, "so I'm offering you and a friend two weeks' half-board there, plus a car." It was October. That evening, I told my wife the good news. "But who will pick our walnuts?" she asked. In vain I replied that this time the squirrels could have them.

So then I rang my younger daughter, who lives in France. "I'll be on the next plane from Toulouse," she said. Her swift response was a bonus, for Emma-Jane is a strawberry blonde, and such hair drives Italian men into ecstasy.

"Che bella," they would cry when she was little, signalling their affection by an affectionate, excruciatingly painful pinch of her cheek. I shall never forget the sight of her chubby infant legs pounding the sand as she tried to escape from yet another adoring Italiano.

Immediately on our arrival in Sicily I realised that little has changed in the psyche of the Italian male since my daughter grew up. From the start, no-one spoke to me, not even the man at the car-hire, who asked her whether she or her "grandfather" would be driving. As if I might not understand, Emma-Jane replied in Italian: *"Il mio nonno guiderà."*

Meanwhile, I was placing our baggage in the back seat. The car-hire attendant cautioned me. "We are close to Catania," he admonished. "A couple of youths could ride by on a motorbike, smash your window and steal the cases." So he kindly placed our luggage in the boot.

As I drove away he called out: "Be careful. They drive fast in Catania." They certainly do. The moment we arrived there we stopped, to let my nerves calm down. Fish, meat and fruit markets abound in Catania.

At the fruit stalls in little alleyways, stallholders were gingerly handling prickly pears with rubber gloves. Once you enter the inner city, the atmosphere is different, with an 18th century cathedral (it was founded seven centuries earlier), fountains and the 13th century Castello Ursino.

It was time to drive north to Taormina, where our hotel was the Villa Riis. From the balcony of our room we gazed at lazily-smoking Mount Etna. I loved the hotel swimming pool and was disappointed in its food: excellently cooked, but German in style, for the hotel was filled with Germans. I prefer to eat German food in Germany, in Sicily, Sicilian food. Each evening Emma-Jane and I compensated by drinking copious quantities of Donnafugata, a wine named after the heroine of Lampedusa's Sicilian novel, *The Leopard*.

As the citizens never fail to remind you, Guy de Maupassant once observed: "If someone should spend one day in Sicily and ask, 'What must I see?', without hesitation I should answer Taormina."

A long narrow street guarded at both ends by a fortified gateway is flanked by crumbling buildings and centres on Piazza Duomo, which is cooled by a fountain dated 1635.

The little Romanesque cathedral has a superb sculpted main doorway and another one, equally fine, on the north side. Opposite rises the town hall, above Tony's bar. Boutiques display videos depicting Etna erupting, accompanied by the strains of Wagner's *Ride of the Valkyries*.

We decided to drive up the volcano. Emma-Jane collected bits of lava as presents – cheap gifts, as she put it. That evening my wife phoned. As we told her about our day, we could hear at the other end of the line the strangled sobs of one who had always wanted to climb Etna and had passed up the opportunity.

On our last day in Taormina we explored the Greek theatre, rebuilt by the Romans and overlooking the sea. A guide was lecturing a group of Americans, so Emma-Jane and I free-loaded the tour. He was telling the Americans not about the theatre but about what they really relish hearing – the cost of hotels, including half-board at the Villa Riis.

"Half-board", he added, to our deathly horror, "does not include wine." That evening, as the waiter brought our accustomed bottle of Donnafugata, Emma-Jane declined it with the words: "Papa has drunk a little too much today."

Lava helps to mark out the patterned walls of the finest Arabic-Romanesque building in Italy: Monreale cathedral, with its Benedictine cloister. "To visit Sicily and not see Monreale", runs a local proverb, "is to go as a donkey and return as a brute" (which rhymes in Italian).

Among its splendours is a vast cycle of mosaics depicting scenes from the Old and New Testaments. William II, the third of the Norman kings of Sicily, founded this magnificent building in the 1170s. Who knows what else he might have commissioned had he not died at the age of 37?

Sicily is a small island, and soon we reached Agrigento. Founded in 580 BC by colonists from Gela, its valley of the temples encompasses, in my view, finer buildings than Athens itself. Grooved sandstone pillars, pediments and broken columns speak of a long-dead civilisation. Under them dogs snoozed in the sun, and cats scurried where once ancient gods and goddesses were worshipped.

At Agrigento, our hotel restaurant was closed, so we went to eat complex pizzas at a pizzeria along the coast. As ever, the proprietor took to a strawberry blonde, so we stayed drinking with him. The following morning he turned up at breakfast in our hotel, this time garbed as a waiter.

It was time to leave for Siracusa. I was driving gently when a Catanian (recognisable by the number-plate of his car) shot past me, screeched to a crumping halt and then drove on again. He had struck a stray sheep as it wandered in the road.

I drove cautiously past its flailing legs, while Emma-Jane urged me to stop and tend the dying beast. Usually she is stronger-willed than I am, but this time I resisted, and drove on to Siracusa, with its ramparts and a cathedral built on the site of a Greek temple.

Siracusa is a port boasting architectural riches bequeathed by the Normans, the Aragonese, the Catalans, the Greeks and the Romans. Undoubtedly its Greek theatre is the most impressive in the western world.

As a bonus, Siracusa also has a magnificent Roman amphitheatre. In the quarries that supplied the stone for these monuments are caverns in which tyrants imprisoned their enemies. One of them is an echo-chamber, where (so the guides tell you) the screams of the tortured would reverberate to terrorise other imprisoned unfortunates.

I had fixed a meeting with Siracusa's head of tourism. Before we arrived I was not sure whether Vittorio Gallo had intended to give us lunch, but once he spotted my assistant he instantly suggested that we eat together.

As they talked and I tucked into the fantastic fish caught off Siracusa (squids, oysters, smoked swordfish, king prawns, kippers, salmon), I congratulated myself on my foresight in arranging to be her father.

■ *James Bentley's visit to Sicily was arranged by Dr Aldo V Bevacqua of Italia nel Mondo, 6 Palace Street, London SW1E 5HY, tel: 071-828-9171.*

Sunstruck Puglia, home of Horace

THE WORDS my schoolmaster once used when none of us knew what he meant – "Ontogeny recapitulates phylogeny" – now come back to me whenever I look at a map of Puglia.

There it is: 240 miles of rugged, gorgeous, sun-struck earth, with its very own "heel" in the Gargano peninsula and its own "toe" below, in the curling tip of land from Otranto on the east to Gallipoli on the west.

"Ontogeny recapitulates phylogeny. Andrews minor – give me an example."

Sir? Back then, aged 10, I was flummoxed or day-dreaming. Now I might lob Puglia at him as an impertinent geographical illustration. The development of the individual (Puglia) recapitulates the development of the species (southern Italy).

And not just in appearances. Puglia in its time has been over-run by every ragged army that ever set bruising foot on Italy's larger foot. Greeks, Saracens, Normans and Spanish left calling-cards: from bits of old temple to the mini-casbahs of Bari, from Norman cathedrals (Trani) to Spanish-baroque churches. Meanwhile, the Swabians under Frederick II left a legacy of castles, notably the spectacular polygonal Castel Del Monte, resembling a giant threepenny bit on a hill.

But the largest invasion force, in Puglia as in all Italy, has been tourists. They may be more merciful here than almost anywhere else. Still my advice is: retreat from the ports and beaches, avoid "gateways to Greece" like Brindisi, and enjoy the hinterland of olive-tree-dotted plains, wandering donkeys, sleepy sun-baked villages, grape-dressed tavernas, boundless vineyards and, above all, *trulli*.

Trulli give southern Puglia its bizarre, knockout enchantment. Sometime between 2,000 and 1,000 BC – the travel books are vague – these cylindrical stone cottages with cone-shaped roofs first appeared in the area. The roofs themselves are topped with white crosses or other adornments. When the owner wants more room for himself, or his family, or his goats, or his television, he knocks down a wall and attaches another stone cylinder plus cone roof plus cross (or star or sickle or satellite dish). Result: south-central Puglia can look like Disneyland gone delirious.

If you are hurried, Alberobello is the place to visit for a definitive eyeful. Here the white-topped *trulli* cascade down the town's main hill.

If you are unhurried – much better – get into a car and roam over the plains. Here the wacky edifices are in their natural, random habitat. You spin past the cone-homes from town to town, and southern Puglia really is worth covering entire. In clockwise order from Alberobello these should be your major points of call:

Polignano sul Mare. Leave the car on the edge of town;

thread the narrow medieval streets; peer over limestone cliffs into a rock-slapping sea. Then eat in the dining-room of the main hotel which looks out into a floodlit sea cavern.

Ostuni. This hill village near the coast can snow-blind the unwary passer-by. A man-made cliff of dazzling white, Ostuni is composed of rearing town-walls flush with slit-eyed houses, of higgledy churches and piggledy towers. Note the splendid 18th century Spanish obelisk and the fulsome views from Largo Castello.

Lecce. Showcase for baroque architecture. The soft local sandstone allowed 17th century Spanish-influenced chisel-masters to run amok. Enjoy not just the shapes of the churches and palaces but their colouring too: deepest honey mellowed by the sun.

Otranto. Horace Walpole never slept here. His Gothic shocker, *The Castle of Otranto*, came straight from his imagination. Never mind. The town boasts its own *grand guignol* character and history, including an Archbishop who was sawn in half and 800 citizens who were decapitated, both in the wake of a 1480 AD Turkish siege; and it has its own haunting beauty: a glorious Romanesque cathedral, a craggy Aragonese castle. In the old port, linger romantically to enjoy the moon over the water.

Gallipoli. Good beaches to the south.

Martina Franca. Welcome back. You are now in *trulli* country again. Wander through this Moorish-flavoured town, feel its medieval heart, and then gaze from the 14th century town walls over the cone-roofs of the distant valley.

The poet Horace, who studied his advocacy of wine and song during hours normally appointed for homework, was born in Apulia and knew what it was all about. It is the capital of the grape. It sluices Italy and much of western Europe with *vino da tavola* and sometimes even adds quality to quantity. Try Castel Del Monte: a fruity red with a hint of bucolic insouciance.

Horace, if he lived today, might also sample the fish restaurants on the coast. And if the poet felt like a trip to the hills he could visit Selva di Fasano, where two majestic restaurants await. Fagiano's serves delicious goat meat and if you ask politely it will pour wild mushrooms over the regional pasta speciality, *orechiette* (little ears). Down the road is a pizzeria where the products emerge from the ovens spitting like volcanoes and waving tiny sage-leaves as surrender signals.

Since sun-dried tomatoes and oil-soaked vegetables are also local favourites, you will probably realise that Puglia is a bit Greek. My theory is that it snapped off from western Greece thousands of years ago and drifted aimlessly across the Adriatic. It bumped into Italy during siesta hour and started attaching itself geologically and culturally.

My schoolmaster once nodded vigorously at this theory when I put it to him. But then it was the end of term and he was hurrying to get away for his Italian holiday.

Nigel Andrews

MOTORING AND SPORT

Racing that's hard to beat

***Stuart Marshall** on how to put the fun back into driving*

THE ROADS get more crowded and stressful every month, holiday weekend tailbacks are awful and driving a car really is not much fun any more. Right? Well, yes. For most of the time, motoring is something one has to do to carry on a normal business and social life. The modern motor car – refined, reliable, comfortable and safe – is easy and effortless to drive.

But fun? Surely not? And the Queen's highway is no place to have fun on. It is there to let you and me and about 24m other drivers go from A to B and back again without inconveniencing, frightening or banging into one another.

For fun, you must get off the road. Off-road is usually taken to mean across country but it also covers private circuits. On both, you can enjoy yourself without breaking laws or putting anyone (including yourself) at risk.

Providing facilities for this kind of fun has become big business. At various sites one can first be shown how to drive a racing car and then be allowed to have a go. Which was how I found myself in the company of about 20 other people at a wind and rain swept Brands Hatch race-track in Kent.

The Brands Hatch Racing Circuit company, Europe's largest organiser of racing instruction courses, also operates from Snetterton, near Norwich, and Oulton Park in Cheshire.

After a briefing that stresses commonsense and safety, candidates start by driving three laps with an instructor in a race-prepared saloon car – in my case a Ford XR2i – complete with roll cage and full harness.

It is not a foot-hard-down and hang-the-tail-out kind of drive. You are told to keep below 4,000 rpm. And warned that if you overdo it, you may be asked to leave the circuit.

The instructor explains basic racing technique. It boils down to doing all braking and gear-changing in a straight line on the approach to a corner. Then, with the car set up properly, you accelerate, clipping the apex of the curve and using the full width of the track as you exit.

At this early stage of race driving training, speed takes second place to smoothness because you cannot have one without the other. "Be gentle. Coax the car; don't fight it." is the instructor's theme – and, together with the need for ceaseless concentration, the main practical road-driving benefit.

It must come as a surprise to "boy racer" candidates who had equated fast driving with a heavy foot on the accelerator and sawing at the steering wheel.

So far, the experience is not wildly different from driving a normal car on a miraculously wide and deserted road. The next stage – eight laps in a single-seat Formula First 1600 – is something else.

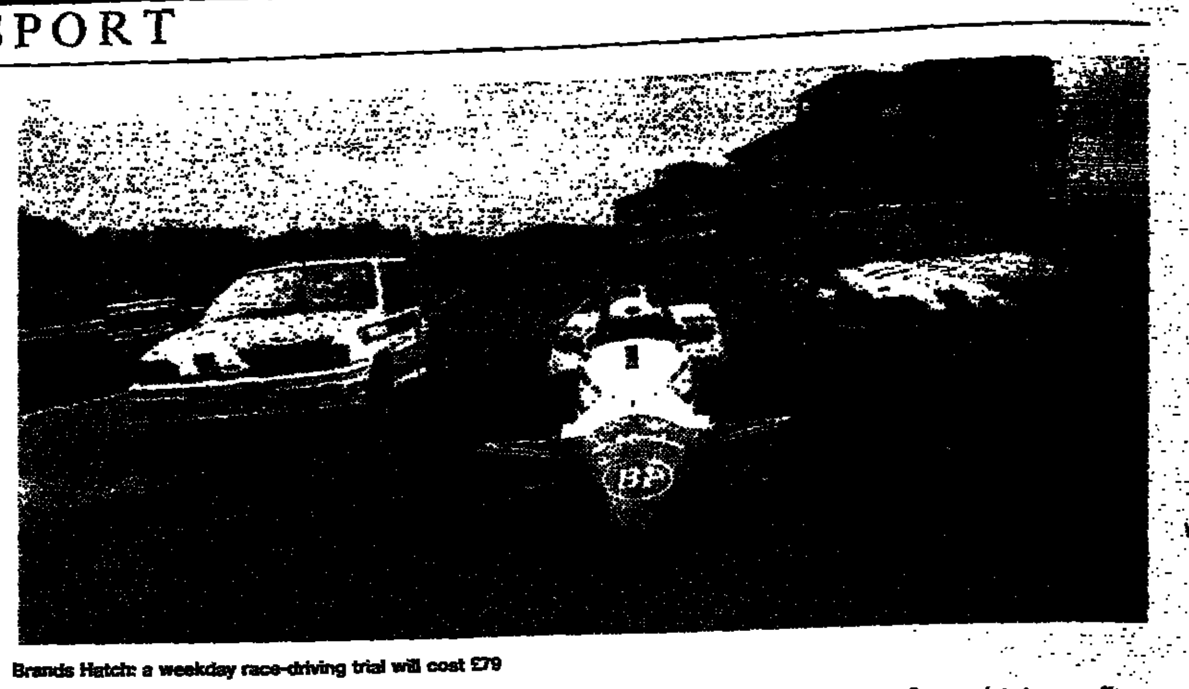
I insinuated my legs into the sharp end, felt around for the pedals, lowered myself into the unpadded seat until my full-face helmet was just poking above the body and pressed the starter.

Compared with a Formula 1 car, the Vauxhall Astra engined FF1600 is a toy, a Mickey Mouse racer. But the engine, only inches behind one's head, growls excitingly. As the car weighs next to nothing its acceleration matches a Porsche 911 Turbo's and it turns likes a gazelle pursued by a hungry lion.

After a settling-down lap, I enjoyed myself. Having to use only the top two gears and strictly observe the 4,000 rpm took away none of the excitement.

Handling a tiny, twitchy single-seater on a track streaming with water is a full-time job. One's horizon is limited by the rev counter, the two mirrors barely visible through a rain-spattered visor and a pair of front tyres flinging fountains of water high in the air.

I was quite sorry to be flagged in at the end of my drive. Having squelched back to the debriefing instructor I asked him how on earth people like Nigel Mansell saw where they were going when they drove F1 cars in pouring rain at up to three times the speed I had been doing. "With great difficulty," he said. I believed him.



Brands Hatch: a weekday race-driving trial will cost £79

An initial race-driving trial at Brands Hatch costs £79 on a weekday, £89 at weekends and a super trial (the main difference is that you get more driving) is £149 (£159 at weekends). About 15,000 people, ranging from teenagers to pensioners, have a go each year. One in four of them is female.

Most candidates come just for the fun. Many have had courses as birthday or Christmas presents and may never go on a circuit again. It can, though, be a hesitant step toward a career in motor racing: former World Champion James Hunt drove his first single seater at a Brands Hatch circuit.

Race driving training is not the only kind of fun motoring offered. There are also courses in off-road driving – the mud and slime variety – in Suzuki Samurai 4x4s as well as in skid control.

Of great potential road safety benefit is Earlydrive, which gives children their first experience of driving a real car on simulated urban road layouts. There is no lower age limit but they must be over 4ft 10in (145 cm) tall so they can reach the pedals. For details, telephone 0474-872331.

Rugby Union/**John Hopkins**

Sevens brings home the cash

NED HAIG and David Sanderson are the two Scotsmen credited with inventing seven-a-side rugby late in the last century – the first tournament was held at Melrose in 1883. I wonder what their reaction would be to the World Cup Sevens tournament which began at Murrayfield, Edinburgh, yesterday morning and finishes tomorrow afternoon?

Perhaps it is better not to ask. On the other hand, the Scots themselves have given it an emphatic vote of approval. Tickets worth more than £1m have been sold and many more would have been sold if the rebuilding of the west stand been finished. As it is, ground capacity is limited to 37,500.

The Sevens are brought to you by the same people who ran the full-scale World Cup in Britain in 1991 – Rugby World Cup Ltd. ITV is transmitting several hours each day. The sponsors are similar: Famous Grouse, Mizuno, Bass Breweries and South African Airways. In subsidiary roles are Unisys; Gilbert, the ball manufacturer; Umbro, the equipment maker; Medisport, the supplier of medical equipment, and Citröen.

The World Cup Sevens is an ambitious title for an event that might in time become as all-embracing as its name suggests but is little more at present than an upstart cousin to the real sevens tournament the Hong Kong Sevens, which was staged recently. The World Cup Sevens to that event is as margarine is to butter.

There will be similarities, one of the most likely is that southern hemisphere countries will dominate at Murrayfield as they did in Hong Kong where the semi-finalists were Fiji, Australia, Western Samoa and New Zealand.

Fiji, in particular, concentrate on sevens these days, perhaps to the detriment of their performance at the 15-a-side game. They have competed in 25 events already this year and, in Waisale Serevi, they have the outstanding sevens player in the world. Watch for him. He has a most distinctive style: one minute he is lurking at the back of his team, some way from the ball; the next, he will be running in for a try.

The Australians are making a big effort to win at Murrayfield, the undoubted incentive being the chance of adding the sevens to their World Cup title. Their team is built around David Campese (who is even more devastating at sevens than at 15-a side), Michael Lynagh and the huge, strong and fast forward Willie Ofahengaue.

Sevens is a lot more than half as enjoyable and half as good as the fuller version. At its best, it can be sublime: seven men weaving intricate patterns on a full-size pitch until one or two of them, by deft handling and quick interplay, work a man clear. Then, watch him go – sometimes, from 60 or 70 yards.

I grew up watching Ian Laughland mastermind London Scottish to victory in the Middlesex Sevens in the 1960s, and then Gerald Davies dazzle his opponents with speed and footwork when he helped London Welsh dominate this event 10 years later. Those days are gone, along with pounds, shillings and pence and the three point and four-point try. No longer are speed and guile the two most important characteristics in sevens. A substantial physical presence is just as important.

The Fijians and Samoans have brought a physical edge to sevens that has turned it from a sort of high-speed touch rugby to a high-speed, highly-physical game. The final in the recent Hong Kong tournament was described by Dick Best, the England coach, as one of the most brutal games he had ever seen.

Each player needs to be fast, most should be robust, and one or two in each team must be play-makers. These are the characteristics needed to cope with someone like Fiji's Mesaka Rasari who is 6ft 5in, more than 17 stone – and a sprinter.

While the World Cup Sevens provides a feast of rugby, it is an organisational nightmare: 24 teams – including many hardly known for their rugby such as Latvia, the Netherlands, Korea and Spain – compete in four pools of six. Minutes are vital. The semi-finals tomorrow start at 15.32 and 15.49 and the final iself at 17.16. Blink and you miss a match.

Weather permitting, the tournament will demonstrate the attraction of sevens rugby. But there are doubts it will catch on in Europe as it has in the southern hemisphere. Weather, fixtures, and the strength of the 15-a-side game are all against the growth of the shortened game. So, you had better make the most of it while you can.

The specialist: Waisale Serevi, of Fiji, on the run at the Hong Kong sevens

Cricket/**Teresa McLean**

A season at a slower pace

WELCOME to the new cricket season, to the rugs, hot drinks and music of ball on bat.

It has been a long winter. There has been nothing to keep cricket fans going through the barren months since the end of last season, except newspaper descriptions of the English Test team failing in India and Sri Lanka, weary with too much cricket.

There may be too much to play, but there is never enough to watch and such as there is depends on the weather. It always has done, of course, and bad weather has always led to what the editor of Wisden in 1974 attacked as "the practice of contrived finishes on the third day."

Today these contrived finishes are used as an argument in support of the four-day game, which is with us on trial for the next three years. It will mean fewer county matches – 17 instead of 22 – but the hope is that these will be fuller and better than three-day matches. Even rain should leave time for both sides to bat and bowl their way through two innings and reach a genuine result.

We shall see.

I think the real question for English cricket is not how long its games should be but whether these games, be they three, four or five days long, can cash in on the popularity which the one-day game has brought back to cricket.

One of the keys to success in longer games is balance. I write as one who has sat through countless hours of medium pace bowling leading nowhere, not challenging batsmen, not inspiring other bowlers and certainly not entertaining spectators. It is not strength in one-pace depth, but a balance between speeds: fast, medium and slow, and between types: seam, spin and drifter, which is most likely to cope with the varied demands of longer games.

Uncovered wickets would probably boost an assorted range of bowling, including more slow and spin, but with batsmen skittled out on drying wickets like the "sticky dogs" of Derek Underwood's great days, county games would be more likely to last two than three or four days. You cannot win. But you can have a go.

Sussex's captain, Alan Wells, used Ian Salisbury's leg spin with increasing confidence last season and Salisbury took 79 wickets in the county championship, while Sussex strike bowler Franklyn Stephenson took 40. Bowling in the classic spinners' style of match-winning bursts, Salisbury took 23 wickets in Sussex's last two games, against Lancashire and Yorkshire, whom he mesmerised into ignominious defeat.

Sussex have followed this up by signed off-spinner Eddie Hemmings. At 44, sacked by Nottinghamshire, Hemmings is nothing if not experienced and, most important, is a partner in spin for Salisbury.

I am a believer in partnerships, with bat and with ball. They are pivots of strength, which the English Test team so sorely lacks. Northamptonshire's Alan Fordham and Nigel Felton, competent but not brilliant batsmen, opened their county's batting splendidly last season, working as a pair. Wasim and Waqar showed how devastating a bowling partnership can be.

Somerset have shown enterprise in signing Mushtaq Ahmed to provide an element of the unfathomable and to work in harness with off-spinner Harvey Trump, backing up the pace attack of Andy Caddick and Mark Lathwell. I look forward to watching Somerset's double acts this summer.

At Derbyshire, much will depend on the extent to which bowlers Ian Bishop and Dominic Cork can settle into a high-powered, high-speed opening partnership. Devon Malcolm is always fast, often wayward and usually lonely – a true Derbyshire man. One reason Derbyshire have sometimes done well but never triumphantly well in recent years is the individual and erratic nature of its cricket. If captain Kim Barnett can work his talented players, not least the slow left-arm bowler Richard Sladdin, into a coherent team, then with John Morris starting to bat consistently as well as elegantly, the county could be a formidable proposition.

Unlike Derbyshire, Essex are used to being a solid, well balanced team, thanks to years of astute management by Keith Fletcher, now departed for national service. Essex's confident steadiness is reflected in the way their overseas signings, such as Mark Waugh and Salim Malik, come back for more.

Kent are pleased with themselves for achieving this with Carl Hooper, who is going to do another year of bowling as well as batting for them. They are also pleased with their wicket-keeper, Steve Marsh, latest of a long line of good Kentish keepers. There is something about Kent – wind? grass? cider? – that breeds good wicket-keepers. Marsh kept wicket happily last season to the off-spin of Hooper, the zippy fast medium of Martin McCague and the slow left-arm of Richard Davis.

If only England would copy the many counties profiting from the services of a good keeper. The Test team needs a proper keeper. Batsmen who also keep wicket should not spill over from one-day into county and Test cricket, any more than bowlers who can throw the bat a bit should replace genuine all-rounders.

A powerful all-rounder like Chris Lewis, who averaged 49.25 with the bat and took 40 wickets for Nottinghamshire last season, would have helped to lift Yorkshire, Worcestershire and Durham from their bottom three places in the county table last year.

Of these, Worcestershire's next-to-bottom was the most humiliating, after their sixth place in 1991. Among other things, they were hurt by fast bowler Graham Dilley's continuing injuries. It seems rare for any player, certainly a fast bowler, to get through a season without an injury. Sometimes it looks as if injuries are an indication of a team's unhappiness. The answer is not concentrated fitness, which brings strains and stress fractures galore, but a confident captain knowing when to push his team and when to let its secret resources bear fruit for itself.

South Africa/**Tom Bedford**

Power vacuum in the Afrikaner's game

RUGBY and politics lie at the heart of Afrikanerdom. There is a certain natural symmetry, between reform of the body that runs the Afrikaner's national sport and the search for a new political order.

After more than 44 years of apartheid, the stumblings towards a new democratic rugby system inevitably reflect the political fumblings of a new South Africa, trying to find its way towards some kind of third world democracy.

Just as there are no obvious leaders to take South Africans out of the escalating mess in the country as a whole, so there are, after Danie Craven, no readily identifiable leaders with the charisma to take the most important sport in South Africa in the direction which it requires.

When the South African Rugby Football Union finally came into being through the amalgamation last March of the predominantly white South African Rugby Board and the predominantly non-white South African Rugby Union, no one foresaw that the doughty Craven, who had already been president of the white union for 35 years, would die within nine months of having become president of the amalgamated body – even though he was 82 and had not been well for years.

Craven was succeeded for only two months by Fritz Eloff, his vice-president of some 23 years. A month ago, Ebrahim Patel, the long-serving former president of the non-white players became president of the new body, as agreed at the amalgamation. Patel will hold the post for a year. Patel is something of an unknown quantity, because black and brown rugby had such a low profile. He was fiercely anti-apartheid and fiercely opposed to the white establishment.

Finally, in March of 1994 there will be a genuine vote and a president will be elected. The 19 executives of all colours, who elected themselves to a two-year stint as the first representatives of this new phase of South African rugby, will have to be properly elected to serve on an executive body of 11; a more manageable size.

The national government has been in power for too long (since 1948) and wants to cling on in the new South Africa in spite of the almost daily revelations of misconduct. Similarly, the administration of rugby has been bogged down. Until recently, rugby presidents and officials, once elected, stayed on forever and an autocratic system of administration prevailed.

But Jan Pickard, president of Western Province, the most powerful of the old white SARB provincial unions, has resigned because of ill health. The presidents of three of the wealthiest, and therefore most powerful, provincial unions – Koos Vermaak of Eastern Province, Nick Labuschagne of Natal and Steve Strydom of Orange Free State – have all resigned or been voted out of office following questions about financial matters. All were at times candidates to succeed Craven.

Suddenly there are few contenders for Craven's old jobs. In this league Louis Luyt, the president of the Transvaal Rugby Union, is the only one left with any sort of pedigree. But he is a maverick. He attracted controversy when he sanctioned the playing of *Die Stem*, the South African anthem, at the test against New Zealand in August. His forthrightness, a commodity rare in South African rugby and is not always appreciated by his peers. He has frequently been voted off rugby's hierarchical executive; only to be asked to return.

I believe he has taken the initiative in trying to shake up the administration of South African rugby. It is his union which made the first and largest contribution (in excess of R2m – £450,000) to the SARFU's development programme for the black townships. I believe Luyt's heart has come to be in the right place, and even if he does ruffle feathers, he loves what he is doing in rugby and could just be the least worst successor to Craven.

Johan Claasen, the respected former Springbok and president of a less affluent, smaller and therefore more neutral former white union, Western Transvaal, would have been a contender for the presidency too. With Craven's death he may have reconsidered but six months ago he told me he was not interested in the job.

Although the names of others, mainly former white players outside the administration of South African rugby, have been mentioned, the autocratic system meant that younger, more progressive, thinkers could not easily be accommodated. It would be difficult for anyone who has not been involved in the nitty gritty of the game to walk into rugby and simply take over the presidency.

For the immediate future at least, the clout in South African rugby will remain with the six former white unions. They have the money and while they have it they will also have much of the power to pull strings within rugby. But the six, the Currie Cup unions, are also fiercely competitive and it might not do to have one of their presidents elected president of SARFU at the expense of the rest.

This could mean that Patel is elected next March; provided that, in his year in office, he remains neutral between provinces, as Craven was, and shows that he understands that the key to the presidency is not what he gets out of rugby but what he can put in. While Patel is in the running for the presidency, no other black or brown South African will, dare to run.

PROPERTY

Suddenly, life on the farm is attractive again

Gerald Cadogan discovers that the economic clouds over agriculture now have some silver linings

BLACK Wednesday - September 16 1992 - brought UK farmers an unexpected bonanza. Sterling's fall against the European Currency Unit (Ecu) brought them windfall gains in the "green pounds" which are paid by the European Community under the Common Agricultural Policy for farm support and premiums.

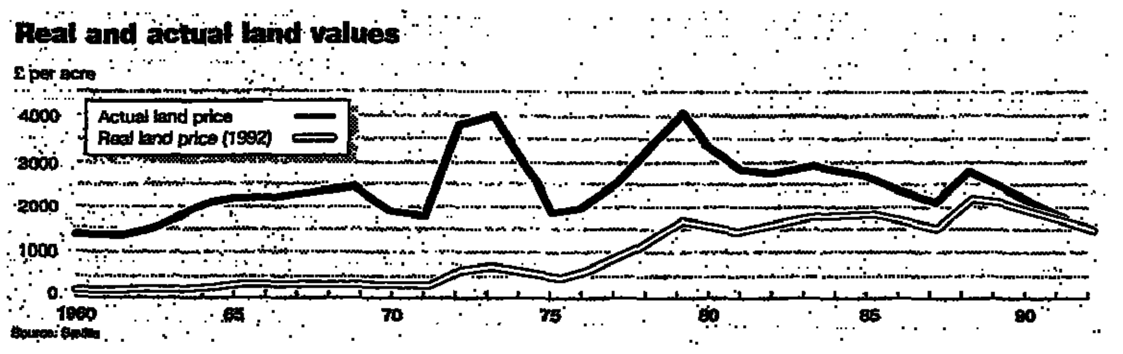
Then there was the low price of land (down 60 per cent in real terms over the past 13 years, says estate agent Savills), halved interest rates, and a realisation of just how generous were last year's changes in inheritance tax (IHT) relief for farms. Suddenly, agriculture was looking attractive again.

Farm land now costs roughly £1,000-1,500 an acre (with the best silt land up to £2,500). The farmer receives the newly-enhanced payments for what he produces and can benefit from other money-generating schemes. He might, for instance, "set aside" 15 per cent of his arable acreage and receive around £106 an acre a year, the precise amount depending on the Ecu exchange rate. (He must, however, rotate that 15 per cent and, sooner or later, will have to set aside his best land).

Among other spurs, the government's farm woodland schemes pay well and encourage planting broad-leaved trees rather than conifers. There is even a Hedgerow Incentive Scheme which, ironically, pays £1.50-2.50 a metre for replacing hedges when, 20 years ago, farmers got grants to take them out. And the interest rate cuts – provided they are maintained for a long time – are a big help, as farmers rely on overdrafts to smooth their seasonal business.

As for IHT, the 1992 Budget brought 100 per cent relief for farms in hand if they have been occupied for two years. (For tenanted farms, the relief is 50 per cent). It is hard to think of a greater stimulus, especially as using contractors to do the work still counts as farming in hand. Businessmen considering farming will welcome this arrangement. So will working farmers thinking of retirement; they can pay someone else to do the slog without IHT worries.

That there was any farm market at all last year is significant. Strutt & Parker, for instance, bought and sold 67,000 acres in 144 transactions. The sellers had had enough of high interest rates and the struggle to make a profit. Most of the buyers were other farmers, often those who had pulled out of the market in the 1980s (when businessmen channelling money into farms pushed up the prices) and saw a chance to round off their holdings while land was cheap and they had some money. Indeed, farmers who have survived the past two years have done well; the Ministry of Agriculture estimates that their incomes rose 24 per cent in 1992.



Buying land still looks attractive, and prices have hardly gone up. Why? James Laing, of Strutt & Parker, explains: "There is uncertainty ahead, including what will happen when the green pound is re-set in July." He has just sold all but one in a portfolio of nine farms around the country for Refuge Assurance, which regards them now as non-core investments. But the green pound might not suffer that much, although the sceptical are hedging against the Ecu or selling their crops forward to lock into present rates. Nicholas Leeming, of Humberts, points out: "The farming lobbies of France and Germany are pretty vociferous. Levels will be set to suit them." That will suit UK farmers equally.

A substantial increase in land prices is unlikely unless supply cannot match the increasing demand. And although there are potential long-term bear factors – such as a rise in Hungarian cereal production, forecast by Savills' Bertie Ross – the future looks rosier than for a long time. Laing suggests that a businessman wanting to invest should probably go for an arable acreage because it is "simpler and less risk."

Farms are available everywhere, with prices that include the farmhouse and outbuildings (although there is a shortage of large estates). And some make money from activities other than simple agriculture. Newton farm in Fife, Scotland, is one such. Close to St Andrews and Leuchars station for Edinburgh and London, and on offer from Strutt & Parker in Edinburgh at over £500,000 for the main farm of 494 acres, it has a clay pigeon shoot, an off-road driving course for 4 X 4 enthusiasts (£12 an hour), and a trout loch that produced £38,600 in 1992.

Cardwell farm, near Holbeach in Lincolnshire, grows cereals and vegetables on grade one silt land three miles south of The Wash. It is so productive that it does not need ancillary businesses and Savills offers its 990 acres as a whole for £2.3m, or in 10 lots. The same agent is selling a let estate of 599 acres at Bishopsthorpe, near Grimsby, for over £450,000. This comprises the more usual grade two and three land and produces rent of £29,315 a year.

In rich country near Evesham, Gloucestershire, Hoden farm is just 194 acres of arable (although formerly a dairy unit). Charles R. Phillips is looking for around £300,000. Firs farm at Farnborough, near Banbury, Oxfordshire, is a 211-acre mixed operation on offer through Howkins & Harrison for around £500,000.

Just on the market – for the first time in 60 years – is Snitterfield fruit farm near Stratford-upon-Avon with 162 acres, 85 of them orchards and 16 for pick-your-own soft fruit. Four cold stores holding 50 tonnes apiece keep the produce fresh. The farm has been split into lots but the total guide price is around £560,000 (from Knight Frank & Rutley).

In Powys, Wales Phillips is selling Bron-Rhydd, in the hills near Llanwrtyd Wells, for £450-500,000. It has 530 acres for sheep and cattle. In south-west England, Strutt & Parker in Exeter offers Stream farm at Broomfield, near Taunton, in one or two lots – totalling 222 mixed acres – for around £475,000. Last year, the owners opened a two-acre lake for fishing rainbow trout at a charge of £1-1.50 a day – which included two fish to take home.

■ *Further information from: Howkins & Harrison, Rugby (0788- 560 321); Knight Frank & Rutley, Stratford-upon-Avon (0789- 297 735); Charles R. Phillips, Henley-in-Arden (0564-794 331); Savills, Lincoln (0522-534 691); Strutt & Parker, Edinburgh (031-226 2500) and Exeter (0392-215 631).*

Part of the gardens at Shute House . . . a spectacular set of ponds, canals and streams

Cadogan's Place

Shute first and worry later

SHUTE HOUSE near Shaftesbury, Dorset, is somewhere I could move at once. Mainly Georgian, it combines rural relaxation with urban sophistication and has an unusual sense of the garden coming right inside.

Step outside and you see what a garden it is – one of the greatest of the 20th century in England. Sir Geoffrey Jellicoe designed it to be an integral part of the countryside. Thanks to having the river Nadder rise there, he achieved a rare harmony by creating a spectacular set of ponds, canals and streams.

Everywhere, you hear the sound of running water. In the main water garden, designed like Moghul gardens in India, the small falls make different tones as the water runs through. The ponds reflect plantings that survive only if they delight the eye – the camellias are a joy. It is an architectural garden, using statues, earthenware jars and topiary in box and yew to reinforce a magical blend of man and nature. If I had £1.25m, I would call Savills (0722-320 422) right away.

■ Halkin Gate House off Belgrave Square, London SW1, is totally urban and provides a chance to peep into the life of the super-rich. Two town cottages with a grand facade have become a splendid house of impressive workmanship. A new second floor holds a huge master bedroom suite, with the shower tucked into the angle of the roof, and the basement has been dug out to take a swimming pool large enough for doing proper lengths. De Groot Collis (071-235 8090) offers the house at over £6.5m for a lease ending on Christmas Day 2050.

■ The Property Misdescriptions Act has now been in force for two weeks and already it has caused a fine stir among agents who are having to tone down their purple prose and be as quick to mention minuses – the disco next door or the motorway at the bottom of the garden – as they always have been with the pluses. False or misleading statements can lead to £5,000 fines.

It is far too early to see how the act will work and what attitudes local trading standards officers will take. But it should inhibit rogue agents and help buyers by letting them know the snags before they make long journeys to inspect properties. Reputable firms have little to fear, provided they can show they have acted with due diligence. In the longer run, though, sales particulars may reduce to little more than a list of rooms and their sizes, and the make of the boiler.

Owners should not throw away receipts for improvements, repairs or maintenance (including for leaseholders' service charges or rent for common gardens or tennis court) as the estate agents may ask to see them one day if you decide to sell.

■ Easter marked the start of the season for visiting stately homes. A useful guide to what is open and when – covering houses anywhere from Bantry, Co. Cork, Ireland, via Spencer House, London SW1, to the Queen's at Sandringham, Norfolk – is the *Historic House Directory 1993* (£7.95) prepared by Norman Hudson of the Historic Houses Association. Its information includes advice for couriers and coach drivers, which will help those organising groups: Sudeley Castle in Gloucestershire, for instance, lays on meal vouchers, a rest room and television for drivers. The directory also lists properties where you can stay as a paying guest, those that are now hotels, and houses that can manage corporate entertaining and other special events.

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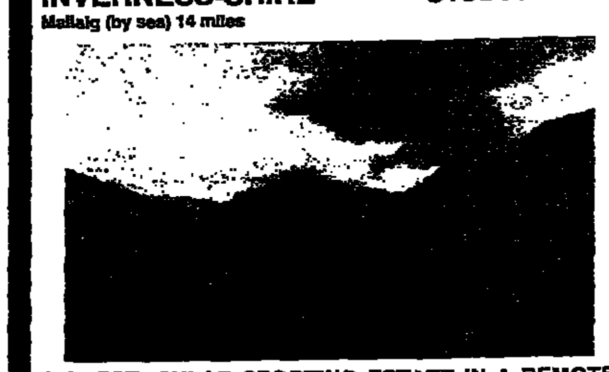

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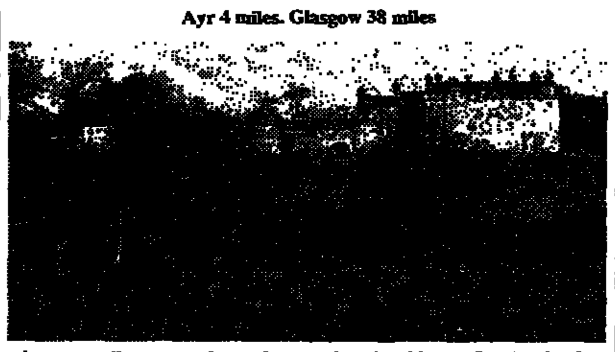

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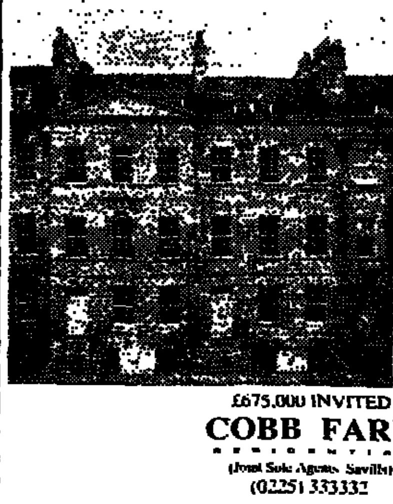

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PERSPECTIVES

Brazil goes nuts for a new king

Christina Lamb meets three 'royals' as the country votes on whether to restore the monarchy

AN EIGHTY-year-old man with caterpillar eyebrows, bushy moustache and a floppy felt hat, living in a candy pink and white palace in the mountains above Rio de Janeiro and speaking Portuguese with a thick French accent, Dom Pedro Gastao de Orleans e Bragança seems an unlikely threat to the Brazilian republic. But the great grandson of the country's last emperor, together with a radical right-wing recluse and a former surfer, is one of three eccentric candidates campaigning for Brazilians to vote for the restoration of the monarchy in a bizarre plebiscite on Wednesday.

Dismissed by most politicians as "maluco" or crazy, the so-called "royal option" is drawing astonishing support from Brazilians fed up with a presidential republic which has left Latin America's biggest country with the world's worst income distribution, 1,500 per cent annual inflation and rampant corruption.

Only one elected president has completed a mandate in the past 65 years, the rest opting out through suicide or resignation, dying before taking office, forced out by military coups or impeached, as in the case of the last President Fernando Collor. By contrast, the 67-year-long monarchy, cut short in 1889, is regarded as a golden era of stability and glory.

After a century of prohibition of monarchist politics, tell-tale gold crown lapel pins are being sported by public figures as diverse as Paulo Protasio, the head of Rio's Chamber of Commerce, Mario Henrique Simonsen, a conservative former finance minister, Sandra de Sa, a left-wing folk singer and Dona Neuma, the first lady of Rio's oldest samba school.

"It's a natural choice for a country where social groups and events such as carnival always use 'king' to refer to something good and dignified," says Roberto da Matta, one of Brazil's best-known sociologists and himself a monarchist. But the chances of Brazil reverting to its ancient title of kingdom are being weakened by a split in the House of Bragança, the Brazilian royal family. At the last count, there are a dozen imperial relatives with claims on the throne and little in common except for the Bragança name and bright blue eyes.

Of the three leading contenders, Dom Pedro is the most senior member of the family and most direct descendant of the last emperor, Dom Pedro II. He divides his time between Seville in Spain and Brazil's royal winter capital of Petropolis, where he lives surrounded by oil paintings of his ancestors in a palace that used to be the emperor's guest house. Riding horseback along the cobbled streets, where he has long been a tourist attraction, Dom Pedro is also a popular figure among locals, who shout "Long live the king!" as he passes.


From left: Luiz de Orleans, Joao Henrique and Pedro

"It is not that I am asking to be king but if it is my duty to save my people then I will," says Dom Pedro, in between complaining about the difficulty of finding blacksmiths to shoe his English thoroughbred. Stressing that "a monarch should protect his people against the government," Dom Pedro refers to his nephew, Spain's King Juan Carlos, as providing who an "extraordinary example".

Dom Pedro denies that monarchy would be a step back, asking: "Is there a greater example of modernity than Japan, one of the most traditional monarchies in the world?" But his claim is jeopardised by the fact that his father renounced his rights to the then-defunct throne in 1908 in order to marry a Czech countess of non-royal lineage.

His most serious rival is his cousin, 54-year-old Dom Luiz, whom Dom Pedro describes as "a crazy fanatic who thinks going to the beach is a sin." The oldest of 12 brothers, Dom Luiz is a member of a right-wing militant group called Tradition, Family, Property, which allegedly lit candles in support of military dictatorships in the 1960s and '70s.

Although he ventures rarely from his modest apartment in Sao Paulo, Dom Luiz promises to break his vow of chastity and marry "if it is necessary to produce heirs." His eloquent lawyer brother, Dom Bertrand, who acts as his spokesman, says: "The republic has brought nothing but political chaos and economic decadence. Under the monarchy, we were a first-world country with the world's second telephone and postage systems."

He claims that monarchy would be a cheap option for Brazil, and says: "The running of [Britain's] Buckingham Palace costs only 20 per cent of Brazil's presidential palace running costs."

The most active candidate is 38-year-old Dom Joao Henrique, Dom Pedro's favourite nephew. Known as Little Prince Johnny, the glamorous former beach bum has swapped his surfing gear for European suits, and riding the waves of Bali for a hectic programme of talk shows and speeches. A regular figure in Rio's social columns, Dom Joao runs a hotel, the prince's guesthouse, and is a leading environmental photographer.

Surrounded by royal memorabilia in his rented sea-front flat, where ancient leather-bound tomes jostle with modern art and jazz books, Dom Joao argues: "The system is totally rotten. Even if you put an honest man in the presidency, it will not work because the president is elected and prisoner of political parties and economic interest groups. A king, by contrast, is impartial."

He adds: "Restoring the monarchy will not achieve immediate miracles, such as reducing inflation or making food appear in the mouths of the hungry millions, but at least it would give stabilisation."

Were the royal option to prevail in the plebiscite, it would be left to the nation's congress to decide on who should be crowned – and it is there that Dom Joao's chance lies. Several political parties have already asked him to run for senator or congressman. But the mere fact that a big industrial country should, in the 1990s, even be contemplating restoring a monarchy that was unseated more than a century ago reflects tremendous disillusion with the present system.

Public disgruntlement has increased in recent months as those named in the Collorgate corruption scandal continue to stay free to enjoy their wealth. Meanwhile, the new president, Itamar Franco, has got through a record three finance ministers in six months.

With so many other problems to tackle, and a largely illiterate population, the farcical nature of the plebiscite was highlighted by an poll last week which found that 52 per cent of those questioned did not understand what they were voting for. Apart from choosing between monarchy and republicanism, Brazil's 90m voters must also decide between parliamentarianism and presidentialism, begging the question of what would happen if they vote for both presidentialism *and* monarchy. The level of confusion is illustrated by Marcia, the cleaner of the *Financial Times*' Brazil office, who says: "I am going to vote for the king as president."

Jeepers – how about those creepers?

Stuart Marshall gets dirty, just like the settlers of old, taking the Rubicon Trail

THE WOMAN in red perched on the rocky outcrop like an overweight Lorelei. Before her, a seemingly endless line of four-wheel drive vehicles taking part in the Jeepers' Jamboree inched their way laboriously up a smooth granite slope as steep as the roof of a house.

"Jeeping," she remarked, in one of those turbocharged American voices that can be heard in the next county, "is creeping, and walking is quicker."

She was absolutely right.

The fastest way of covering the worst 15 miles of the Rubicon Trail would certainly be on foot. "Jeepers" is the generic term for people who rough-ride for pleasure in four-wheel drive vehicles that are mostly, but not exclusively, Jeeps. The Rubicon Trail is to Jeepers what Cowes is to yachtsmen or Wimbledon to tennis players. It starts at Georgetown, California, and goes east to the shore of Lake Tahoe, rising to just over 7,100 ft (2,185 m) at its highest point.

It begins innocuously because much of the 71 miles (114 kms) is on paved country roads. The going gets difficult enough for four-wheel drive to be desirable at Loon Lake, which is only eight miles – but four hours driving – from Rubicon Springs. A few hundred yards further on and four-wheel drive is essential.

The *Oxford Dictionary* defines a trail as "a path or track worn by the passage of persons travelling in a wild or uninhabited region". That sums it up perfectly. The region through which the Rubicon Trail passes is *wild*. You may spot brown bears if you are lucky, though all I saw were dozens of paw marks in the mud. It is also uninhabited and consequently quite unspoiled. Commercial logging is out of the question. The tall pines that find living space between the granite masses grow, die and and rot where they have fallen.

It was Indian country before white men first went in with packhorses in 1844. Later, engineers dreamed of a wooden tunnel to pipe water from Lake Tahoe (altitude 6,229 ft, or 1,917 metres) to San Francisco, 200 miles (334 kms) away. It came to nothing.

When mineral water was found at Rubicon Springs in the 1880s, health freaks beat a path there. Wagon loads of timber were eventually hauled in to build a hotel which operated until the 1920s. Guests arrived first by coach-and-four and later by 10-passenger Pierce Arrow motor car.

Even though the trail was then regularly maintained, it must have been an appalling journey. Perhaps that was why the hotel failed in the 1920s. Years later, the building collapsed under heavy snows. There is now no sign it was ever there.

The Rubicon Trail reverted to the wild. Snow shuts it from November to June and the thaw brings floods which wash down new rock piles and create fresh mudholes. Every year, the lie of the land as seen by a Jeeper changes. When I joined the Jeepers' Jamboree and drove the Rubicon in an open Jeep Wrangler, windscreen folded on the bonnet, much of the trail was like the bed of a mountain torrent. Which, of course, in winter is what it is.

It was the 40th Anniversary Jamboree last year. More than 1,500 people from across the US had converged there, driving and riding in 500 vehicles. It is rated the most difficult American off-road event open to all comers. There are no prizes. Simply to get into Rubicon Springs, camp overnight, enjoy a noisy and uninhibited party and get out again with the vehicle in one piece is reckoned to be reward enough.

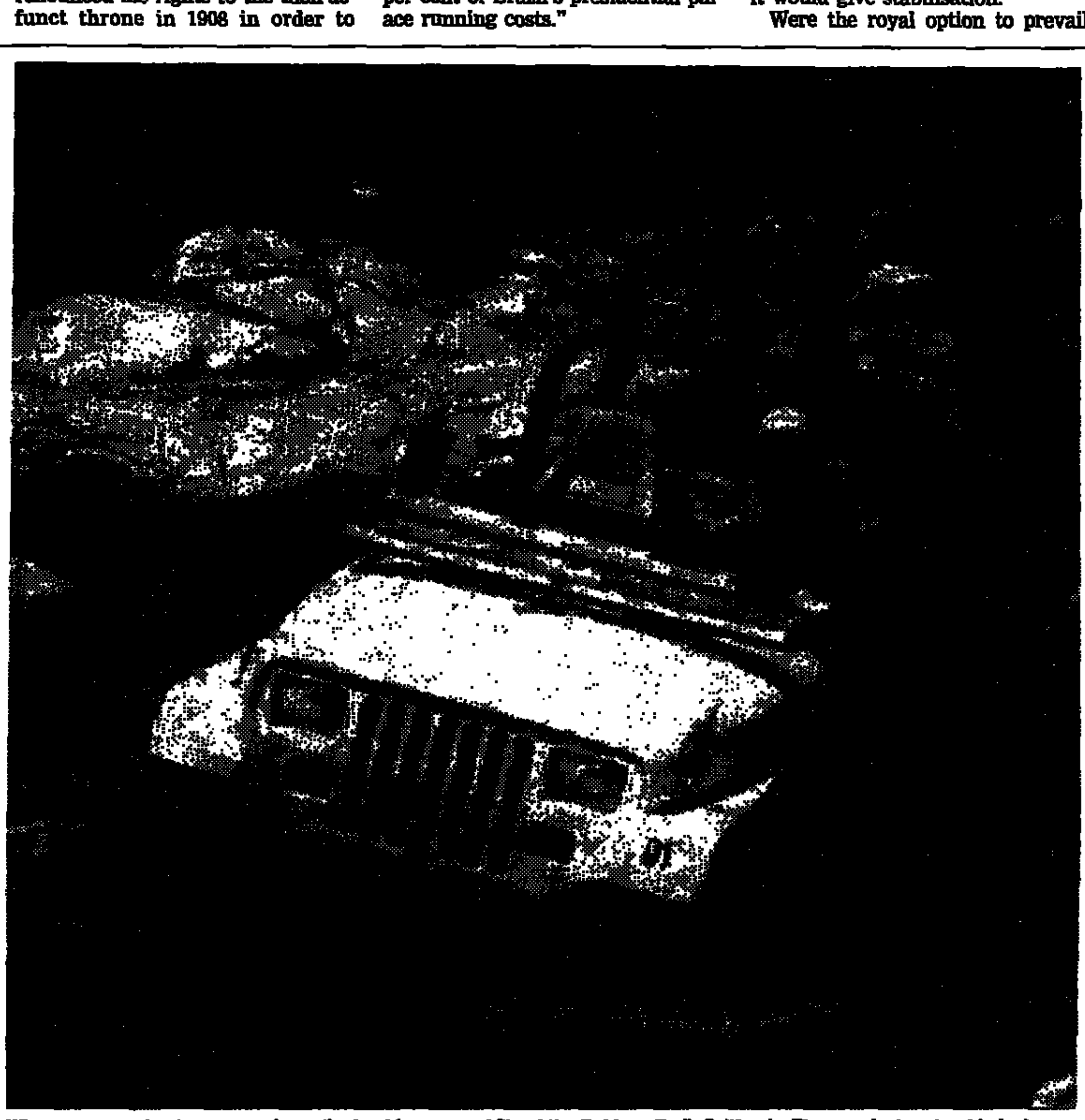
Half a ton of New York steaks, sufficient beer to stock a large pub, a generator-powered sound system and, because this is the US, a grand piano had been airlifted in, slung in nets under a helicopter. Every piece of litter that could not be burned on a huge bonfire was picked up and carted out again. Part of the Jeepers' code is to leave the wilderness as they find it.

That night, as I crawled filthy and unwashed into a pup tent, I had a thought. If the hotel had still been there, it could have made a fortune selling hot showers at whatever price it cared to name. As it was, staying dirty seemed the lesser of two evils. The only way to clean up was to clamber down to a cold, snake-infested river.

Recreational off-road driving is really the mechanised equivalent of trail riding on horseback. The Rubicon Trail is its pinnacle but at four-wheel driving's broad base, thousands of American families climb aboard their vehicles every year and head for the wilder areas of their vast country. Some go on their own, others in convoy with a few other vehicles. They take tents, sleeping bags, plenty of food and water, petrol and oil. Plus, if they are wise, essential spare parts, some tools, a jack, an axe, shovel, tow-rope and CB radio.

But is going cross country on four wheels the soft option?

Compared with hiking or mountain biking – and I saw people doing both – I suppose it is. As for riding the Rubicon, I would not have risked a half-decent horse on the harsh, boulder-strewn terrain. I could see no signs of anyone having done so.


When snows melts, torrents reshape the boulder-strewn hills of the Rubicon Trail, California. They are just motorable in Jeeps

Driving a Jeep has to be less physically taxing than using muscle power but it certainly is not easy. A week afterwards bruises traced the seatbelt's line across my body. The technique of driving across country as rough as the worst parts of the Rubicon Trail is to do everything very slowly indeed. If you tried to go quickly, you would smash the vehicle, an ugly prospect in a remote area.

In four-wheel drive with the transmission in low range, a Jeep Wrangler's 4-litre engine has power enough at tickover to let it clamber over rocks the size of cabin trunks. If a boulder looks surmountable, you drive the Jeep's wheels over it. Never let the rock get under the vehicle. If you do, the axles ride up and you are stranded, wheels spinning in the air.

Defiles of V-shape with a floor narrower than the Jeep's track are driven through with the sidewalls of the tyres wedged against the rock. It is cruel treatment for a tyre but the oversized Goodyear radials took it in their stride, as they did everything else.

The Jeep Wrangler I used had automatic transmission which meant ignoring a cardinal rule of off-roading. This is to keep your foot off the brake pedal when going downhill and let the drag of the engine, equally distributed to all four wheels by the transmission, control your speed.

But automatics, unlike 4x4s with manual gearboxes, tend to run away even when locked in low-range first gear so now and again slight braking was essential. It worked on the ultra-rough but basically grippy rock but would have been a recipe for disaster on the muddy hillsides European four-wheel drivers are used to.

The Jeep, I am glad to say, is well protected underneath. However carefully I drove there was the odd crash and bang as the steel plates armouring the engine and transmission came into contact with boulders. But nothing broke. None of the 20-strong British team had any mechanical mishaps or, even more remarkably, any tyre trouble.

Four-wheel driving in wild areas is a potentially controversial activity. In the Lake Tahoe area, the authorities and local people take a generally tolerant view. But not all approve. One of the toughest and roughest sections of the traditional Rubicon route was out of action last year.

Militant objectors had used explosives to bring down tons of rocks and block the trail. The alternative route, though, could not have been much less testing than the original.

The Forest Service of the US Department of Agriculture insists on managing off-road driving and has authorised the use of off-highway vehicles (OHVs) only on certain listed trails, the Rubicon included.

It lays down a number of conditions which it says must be observed if the sport-cum-recreation is to have a future. This says: Tread only where motorised vehicles are permitted; Respect the rights of others to enjoy their activities undisturbed; Educate yourself on OHV rules and regulations; Avoid meadows, wildlife, livestock and private property; Drive responsibly to protect the environment and preserve opportunities to drive on public land.

It was all very different 40 years ago when Mark A Smith organised the first Jeepers' Jamboree. Then, more or less anything went. But, as the sport became more popular and numbers of vehicles increased, so did an awareness that the environment was fragile and had to be protected.

Smith stepped down as "Jeepmaster" after last year's Jamboree but says he will retire from four-wheel driving "probably when I die." Now into his late sixties, he looks as rugged as the Jeeps he loves, and good for many years of off-road driving to come.

If the participants in the 1992 Rubicon Trail Jamboree were anything to go by, Jeeping is a sport that mainly attracts the middle aged and over. Most couples in their 20s and 30s are probably too busy bringing up families to go four-wheel driving into the wild blue yonder. In any case, a wilderness is hardly the place to take young children.

But when the call to that great off-road driving course in the sky finally comes, several Jeepers have chosen to be laid to rest in the land they loved to bang and crash about over.

What look like their graves (actually, it is where their ashes were scattered) can be seen at one side of the Rubicon Trail. Headgear ranging from baseball hats to Stetsons was doffed by last year's participants as they lurched by, already dreaming of this year's event.

Fishing

Mayfly make me mad

Tom Fort thinks you can have too much of a good thing

IN MY dry fly apprenticeship, I displayed all the characteristic intolerance of youth towards the mayfly. On the stretch of the upper Kennet which I then fished, the insect did not appear. Nor would it have been in the least bit welcome if it had. We much preferred our modest hatches of well mannered olives and delicate pale wateries. Our view of the mayfly carnival was akin to that of monks hearing reports of Roman orgies.

I no longer fish the upper Kennet, so crystalline and lovely in those days, before it was stricken by drought. I have moved down river, to a fishery on which the mayfly hatches in abundance. And my snooty attitude towards it has been necessarily modified.

A good deal of the old prejudice does survive. I cannot help thinking that there is something gross and undignified about the mayfly season, which is an affront to notions of fly fishing as the most refined and graceful of pastimes.

Partly, it is the behaviour of the fish. We like to think of trout as reasonably discriminating creatures, which help themselves in moderation at Nature's table, and examine our imitations with a critical eye. But all this goes out of the window with the arrival of *ephemera danica*. Gluttony and piggishness rule in the frenzy to swallow as many of these fat, luscious titbits as possible. Our chalkstream trout become like schoolboys who find the tuckshop left unlocked.

The scale of the hatch is also over the top, provoking excess succeeded by biliousness and torpor. The fish, stuffed to their gills, circle dyspeptically to the bottom, contemptuous of anything as puny as a trickle of olives.

"If only", one exclaims irritably as one surveys the unbroken surface in early July, "if only Nature would organise matters more sensibly. Why could not the mayfly be supplied little and often, rather than in one colossal binge?"

A hatch of fly should be an unassuming affair. It should not blot out the sun, obscure the meadow, form a hovering cloud over the river. The fisherman does not really wish to have huge insects settling on his ears, festooning his hat, creeping across the lenses of his spectacles. Nor, if he has any sensibility, does he care to see his favourite river transformed into the aquatic equivalent of the classic French film about gastronomic frenzy, *La Grande Bouffe*.

I am, of course, overstating my case. The scenes of abandon I have described are hardly the norm. And when they do occur, they tend to involve fisheries recently stocked with large numbers of greedy, simple-minded trout whose ingrained instincts of caution and common sense are nullified by the transfer from stewpond to river. There was, for instance, a day on the Test last year, when the water heaved and a discarded toenail would have brought a rise.

On stillwaters, the mayfly hatch is likely to be as maddening as any other. I am thinking of the great Irish lakes, such as Corrib, where more often than not the surging hope which attends the start of the mayfly day is transformed into despair by the time a fishless evening is reached.

I am also quite unjustifiably blackening the reputation of the insect itself. It is a lovely and fascinating creature, and I am well aware that its appearance is one of the wonders of the angler's year. Who am I to denigrate it, and the sport in inspires in these harsh times?

What, above all, quickens the heart about the mayfly season is the matter of BIG fish. It is the time par excellence when the disciplined angler can put aside thoughts of quantity and may reasonably pursue the dream of the monster. It is the time at which the five and six pounders which one has been told exist actually offer proof of the fact. It is a time for putting oneself to the test.

I confess now that I have done so – and I have failed. The memory of the episode is still painful, but they say that self exposure is part of the healing process, so I shall relate the tale.

There is a sidestream which leaves the lower Kennet by some hatches and rejoins it some distance downstream. On its meandering journey it is connected to a lake, which a few years ago was home to a few, very large, wild brown trout. In the mysterious way of the mayfly, it hatched on the stream but not on the lake. So, when the hatch was at its height, the leviathans would move into the stream to feast.

I spotted one feeding beneath a tangled gorse bush. There were sucking sounds and ripples of a character calculated to promote panic and incompetence.

The luxuriance of the surrounding vegetation made normal casting impossible. On my knees, I thrust the end of my rod through the thicket, and lowered a French partridge on to the water. It travelled slowly into the monster's lair, and there was a noise like a wet kiss. I tightened, and thereafter the drama was played out at paralysing speed.

The fish went upstream, turned, headed past me, dived, broke me; and I never even got off my knees. Trembling and panting, like a mountaineer at high altitude, I stumbled away.

A little later, I bumped into the keeper and recounted the terrible story. He endeavoured to console me by telling me that he had seen this fish, or enough of it, to estimate its weight at eight pounds. He did not think it it was possible to land such a creature in such a spot.

I am a few years older now, and I still have not caught a chalkstream trout half the size of the one I lost that afternoon. But the giants are still there, which is why, come the end of the month, I shall be prowling the river bank, apologising to mayfly and trout for having been so rude about them, and hoping against hope for a chance to make amends.

On song at the opera houses

■ Continued from page I

Isaacs is forcing the pace because the decisions on temporary closure have to be made in the next three months. The plan is to re-open the modernised Covent Garden with a great gala, probably of the Berlioz opera *Les Troyens*, on December 31 1999. This would involve extended summer breaks in 1996 and 1996 and a total closure from 1997, with the opera company probably confined to touring abroad or doing seasons at a venue such as London's Royal Albert Hall while the ballet company camped down in what could be London's new dance house (lottery money willing).

The favourite sites for this are the Theatre Royal, Drury Lane, or the derelict Lyceum nearby – but both would require a government hand-out almost as big as that for Covent Garden. So, the imponderables abound. As in many aspects of national life, much depends on the revenue from the lottery, which could be worth £60m a year to the arts.

After a stormy start, Isaacs seems to be getting to grips with the politics of opera. Marks will have a shorter learning programme. He, too, must raise money – around £15m – to shore up his theatre. And, in the short term, he must stamp a new, popular face on the ENO. The departure of Jonas coincided with the resignation of his two right-hand men, musical director Mark Elder and David Poultney, the director of productions.

'Much depends on the revenue from the lottery'

This gives Marks a clean sheet – but extra responsibilities. His new music director, Sian Edwards, has little experience of working in an opera house and has few productions in her conducting repertoire. Her most recent performance at the Coliseum, in *The Queen of Spades*, drew mixed reviews.

Jonas is leaving London in a relaxed mood. He has done his bit, taking it upon himself to fight the corner for the arts – although he feels he failed to convert the government to the proposition, accepted on the Continent, that a thriving, publicly-funded arts scene is essential in a civilised society. There were periods when the message seemed to be accepted but, in the past two years, the philistines have got the upper hand. Worrying about finance was the biggest concern of his job – and the reason why the ENO never performed a complete *Ring* cycle during his stewardship.

This is an obvious challenge for Marks, and one that could feature when he announces his 1993-94 programme later this month. He is planning an attention-grabbing repertoire, including an opening production of *La Bohème* in Italian, a provocative break with ENO philosophy. But all Marks' plans will be controlled by the financial imperatives. The really important ENO performance takes place on April 27 when the board meets to discuss the sudden and potentially disastrous financial short-fall. So for some time to come the dominant theme behind the programmes of both of London's opera houses will be the same: Money, Money, Money, Money...

Dressing for the Professions: **The Country Set**

Never wear your Barbour to shop at Peter Jones

***Brenda Polan** on the rights and wrongs of rural attire*

THE BRITISH have a *greater nostalgia for a* vanished rural past than any other nation. Dreams of Arcadia, Mother Nature, Merrie England, images and fantasies of rustic simplicity, bucolic innocence, sylvan peace and pastoral purity pervade UK art and literature. Immersed in an overwhelmingly urban culture, Britons all crave a slice of the country.

But *where once their aspirations* may have focused on the artless *peasant plainness of the unaffected* cottage with roses round the door, in recent years their focus has shifted upwards towards the manor house of the country gentleman. They yearn to be there in the setting of the P.G. Wodehouse caper, the Agatha Christie plot, the television dynastic saga. And so well have they been able to study its ambiance, its mores, its rituals and *its clothes that they feel they know* just how to fit in. Indeed, funded by the new riches of the 1980s, many tried. But many failed. And it was *often their clothes that left them on* the outside, peering in.

"Clothes in the country," says Ewa Lewis, the social editor of *Tatler* magazine, "are really all about suitability and practicality. It may look as if an arcane set of rules applies but, really, it is to do with the work of the countryside, the fact that life is inevitably led as much outdoors as in and that, *therefore*, you have rough terrain and real weather to deal with.

"*So, looking wrong can happen in* two ways. You can wear clothes which are unsuitable because they are impractical – leather jeans, spiky high heels, fabrics you can't wash the mud off – or because they are in the wrong mood: too formal, too glossy, too city-glamorous. You can also earn the derision of the country set by wearing what they see as working gear in the town."

Nigel Hadden-Paton, born to the country, snorts in agreement: "You could always tell a yuppie by *the* fact that he wore his Barbour for *shopping at Peter Jones*." Bumble, his wife, adds: "And by his white socks. And by *his girlfriend's taste* for stilettos worn with trousers – my pet hate."

Barbara Daly – who, with husband Laurence Tarlo, is a transplanted townie – says: "You instinctively go for the functional and relaxed, rotating your London wardrobe down to the country when it starts to date. The only time I have felt out of place is when I have *worn a short skirt or a tight body or* one of my sharp suits or something *in the evening that is too sparkly*, too revealing or too glam."

Nigel and Bumble Hadden-Paton live at Rossway Park in Hertfordshire, a handsome Victorian house in 1,220 acres of which 620 acres are under the plough. Nigel is reducing this every year as he returns more of it to woodland and parkland in *order to extend the game crop and* his hospitality events business.

A former officer in the Blues and Royals, he says: "When I left the army after 13 years and Bumble and I took over the estate, it seemed to me I had a choice. I could, at 35 and with two children, take myself off to agricultural college and learn to *farm; or I could retain our farm* manager, who knows exactly what he's doing, and find some way of being able to afford him."

Using the house and park for conferences and corporate entertainment – a day's shooting is very good for bonding an executive team – proved the answer.

For the landed gentry, opening their doors to outsiders is, increasingly, the best way to retain a much-loved but expensive-to-maintain family home. It exploits gently that yearning for access which the rest of us share. Nigel's strong selling *line in his small brochure is* Rossway's "feeling of calm and serenity which restore a sense of balance and perspective amid the pressure and hurly-burly of everyday life."

It is not just a line, though. As *you enter Rossway's tiled and pillared* hall with its speadeagled tiger skin (*the animal was shot by Nigel's* father in 1956), glassy-eyed stags' heads and welcoming fire, you can almost hear the calls of house *guests greeting each* other in excited anticipation of a jolly weekend of *rural sport, large meals, and* many changes of clothes. It was a style of life with which the rest of the world has, retrospectively and thanks largely to movies and Ralph Lauren, fallen in love.

The grand English country house style reached its apogee in Edwardian times, due in large part to the expanding railway network bringing weekend guests "down" quickly *and comfortably and bearing them* away again before they became boring.

It flourished through the 1920s and '30s and was maintained stalwartly through the 1950s and '60s with a smaller staff, fewer courses and warmer clothes. But it declined through the 1980s as mass enter*taining became too expensive* and difficult logistically because of the problems of getting domestic help.

"Of course," says Bumble, "it is still nice to have a party for the weekend and we still do it, but it is much more informal these days. In the summer, for instance, we usually have supper in the kitchen. Nor *do you need an elaborate wardrobe*. Or, in any sense, a 'correct' wardrobe. You just don't do all that changing any longer, and country people are much less husky-and-green wellingtons than they used to be.

"*If we are dressing in the even*ing, it is more likely to be a half-change where the men wear a smoking jacket and trews with velvet or needlepoint slippers, and the women can pass in almost anything as long as they look as if they have made an effort."

Running the house as a business *has modified Bumble's* wardrobe. "I have to have some clothes which are smart in a country way. The wonderful thing about the past few years is designers like Paul Costelloe, Mulberry and Nicole Farhi who understand the country and pro*duce excellent clothes* which are sturdy, stylish and timeless. High fashion just does not look right."

Half-change evening wear . . . Bumble wears a silk top by The Silk House, satin evening trousers by Paul Costelloe, low-heeled navy velvet shoes with grosgrain bow, and necklace by Nigel Milne. Nigel wears a bottle-green smoking jacket made by Mr Body at Welsh & Jeffries, Hunting Stewart tartan trews, cream shirt from Sam Brown, and slippers made up by Trickers from bottle-green needlepoint worked by Bumble with the family device.

Nevertheless, much of her life with Nigel and their four children is lived out of doors. When not on hospitality duty, she tends to live in corduroy breeches.

"When we were clearing out the *maids' rooms* upstairs, I found a pair of coachman's breeches which fitted me perfectly. When *I* wanted a replacement, I asked Nigel's tailor, who quoted me £400 to make them. So, next time we went back to Cyprus – where we were once *stationed* – *on holiday*, I took them to Mr Osman in Nicosia who copied them perfectly. *I* have several pairs now."

"Neither of us," says Nigel, "is really a jeans person. My working clothes are my holiest jersey, scruffiest boots and a Viyella shirt. My father always wore breeches, stockings, *brown shoes, a shirt, a* tie, a moleskin waistcoat, a tweed jacket and, if *it* rained, a Barbour. Even for tying the woods! Even when dealing *with the clients, I* tend to wear just a slightly smarter version of my workwear. That's politeness.

"It would be ridiculous for me to climb into a tweed suit just because I might think that's what they expected. *We're not running a* theme park, after all."

Ewa Lewis says: "If there is a point to dressing correctly for the country, it is under-dressing. And *the level of conformity* required varies from county to county. If you misjudge *it in Gloucestershire*, Berkshire or Hampshire, it is not going to be as noticeable as it would be in Lincolnshire.

"I have noticed, too, that while *town imports may ape country* work-wear during the day, they make no *concessions in the even*ing. This means that, in their fashionable outfits, they tend rather to outshine the country ladies in their *black velvet skirts and frilly* white blouses.

"But I doubt if anybody really notices unless they have to be carried across the puddles from the *Land-Rover because their shoes are* non-functional. That's when you look silly."

Lewis dismisses the widely-held belief that country folk like to affect scruffiness as an aspect of a cultivated eccentricity. "The upper middle class squirearchy may, indeed, aim to look as battered as possible but, *although* most country people's kit may be old, it is always impeccably maintained."

"The rule," says Bumble Hadden-Paton, "is no self-conscious dressing up. *No wafting around like some*thing out of a Ralph Lauren ad. *Apart* from that, you dress for practicality and to look as nice as possible."

Tony Andrews

Outdoors work-wear . . . Bumble wears a loden jacket from Holland & Holland, a lambswool polo-neck sweater from Benetton, corduroy jodhpurs made to measure by Mr Osman in Nicosia, long green socks from Peter Jones, and loafers by Timberland. Nigel wears a tweed jacket *made to measure by Douglas Davies*, a sweater by Nicoll Knitwear, shirt by B.N. Baggies, trousers made to measure by Mr *Osman, wellies by Hunter, and his own waterproof*

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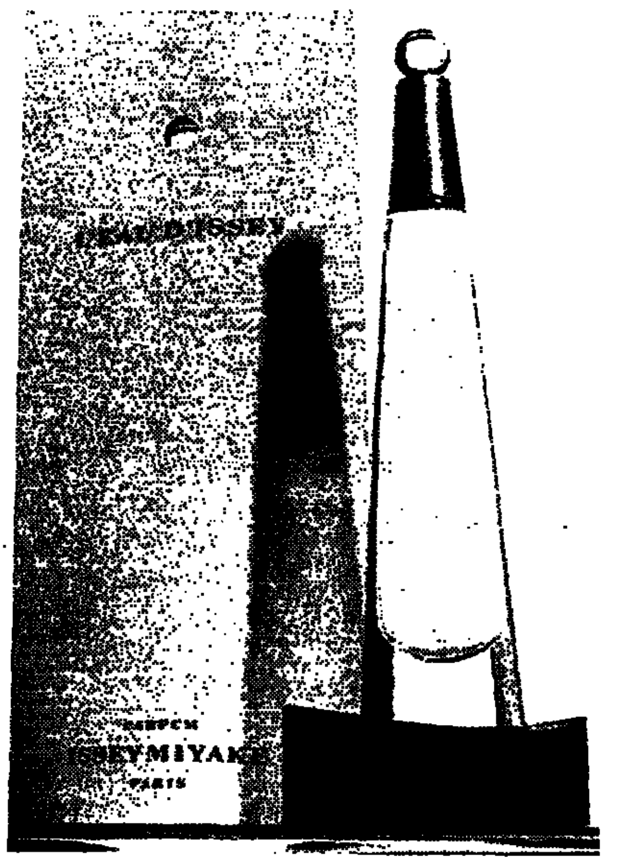


New-age perfumes from left: Jean-Paul Gaultier, L'Eau, D'issey and Parfum D'Eté by new-age 'noses', photographed right: Issey Miyake, Kenzo and Jean-Paul Gaultier

The sweet smells of success

***Lucia van der Post** sniffs fragrances fit for the most discerning noses*

SOMETHING STRANGE has been happening to perfume. Where once public relations blurb used to wax lyrical about green notes and oriental essences, today the language has changed. The deconstructionists, having finished with clothes are moving in on perfume.

Listen to Japanese designer Issey Miyake, talking about his own perfume, L'Eau D'Issey, launched last year: "For me the most beautiful perfume for a woman is water. Water is like a surge of energy: it has upward positive movement; spiritually it's more of a fountain than a trickle." Well . . . er . . . perhaps. But wouldn't it just be easier to bottle some spring water and leave it at that?

Listen next to French designer, Jean-Paul Gaultier, darling of the French Haute Bohème, whose first bottled elixir goes on sale in Harrods this week: "It's one part dusty loose powder, like my grandmother wore – I think it was old Coty; one part that smell you get when you are sitting in the front row of the theatre – for me I think of going to the Châtelet when I was 12 – and the curtain goes up, and the hot lights are on the costumes, wigs and sets, and you breathe it all in; and, just to be modern, one part nail polish remover."

All very frank, very modern and *very* barrier-breaking but I cannot help wondering whatever happened to jasmine and ambergris, to musk and tuberose, to seductive nights and scented mornings, to romance and mystery ?

But, hark, what have we here? Jean-Paul Gaultier is on about eternity – you will, I am sure, remember eternity, that staple of PR perfume utterances. "Why hasn't he thought about it (i.e. creating a perfume) before?" asks the blurb, "For the sake of eternity," comes the Delphic answer. Ah, but of course.

Instead of water, Bulgari has drawn on the "ancient Oriental tea culture and the more profound sense of the rituals connected with it" for inspiration for its new perfume, Eau Parfumée, Cologne au Thé Vert.

For a text it has taken some lines from Lin Yutang, a contemporary Chinese writer: "There is something in the essence of tea which guides one towards a world of serene contemplation of life". So there is and Eau Parfumée looks as cool and green and serene as any Oriental tea ever did.

Kenzo has a more traditional source of inspiration – summer – for his latest perfume which is just about to be launched. Kenzo, it seems, loves summer. He sees it as a "symbol of happiness, of openness to the world, of freedom without end . . ." an "invitation to the pleasures of living in rare communion with nature, celebrating the union of body, mind and sun."

So Parfum D'Eté is "A song to summer, his muse, his inspiration." It "dances like a sunbeam, softly caressing the skin with a warm and fragrant wind. Inside us, sun-filled, exhilarating pictures of summer come alive, transporting us away from today towards gold, eternal fields." Goodness, I cannot wait.

Clearly, what we are seeing is a new mood in the traditional world of perfume and this extends beyond the conception and the smell to the design of the bottles.

Where once the talents of Baccarat and Lalique and great designers of the day combined to produce bottles of lavish seductiveness, today's bottles perfectly express the new mood in the world of perfume.

Issey Miyake's bottle, as befits the most intellectual of fashion designers, is strong, sculptural, simple and clean. It exudes an air of purity and strength. A slender, tapering, conical-shaped bottle (described as "timeless – pure and flowing, just like water") of clear glass which allows the perfume to be seen is finished by a "silver" conical top.

Jean-Paul Gaultier's is a joky, funky, pink torso of a woman. It may look absolutely 1990s but as new-age thoughts go this harks back to the 1930s and 1940s when many scent bottles, including a famous one by Schiaparelli, came woman-shaped. But, as Jean-Paul Gaultier puts it: "As it is a fragrance for a woman it was obvious that the bottle ought to be woman shaped."

The torso/bottle comes packaged in a slicked-up version of a tin-can which has a ring-pull opener. Gaultier admits that there is a certain perverseness at work here: "Nobody before thought of a can as a classy packaging." He simply took a pair of scissors and cut up a tin can which he gave to a jeweller to smooth down. The result, as Jean-Paul Gaultier must be satisfactorily aware, is indubitably different.

The Bulgari bottle is – like the tea ceremony – all serenity. Clean-lined, frosted glass reveals the cool pale green perfume and the classily simple silver top is etched with the Bulgari name. Classic, timeless, elegant.

As for Kenzo, summer has clearly set him (and co-designer Serge Mansau) off. We have a bottle of frosted glass shaped like a leaf with fine indentations of leaf-veins, which comes in an aquamarine blue box imprinted faintly with a sheaf of grasses bound with raffia.

Traditionalists can take heart, for all the new-age language, the talk of breaking barriers and the hint of iconoclasm behind the designs all four of these perfumes smell quite nice.

L'Eau d'Issey, for instance, is light, refined, and will never embarrass you by shouting too loudly. Gaultier is bright pink but is richer, more sensuous and could happily be worn to the grandest *soirée*. Bulgari smells of citrus and if you go on sniffing "the green tea essence," so runs the blurb, "is slowly released to give one a truly refreshing feeling."

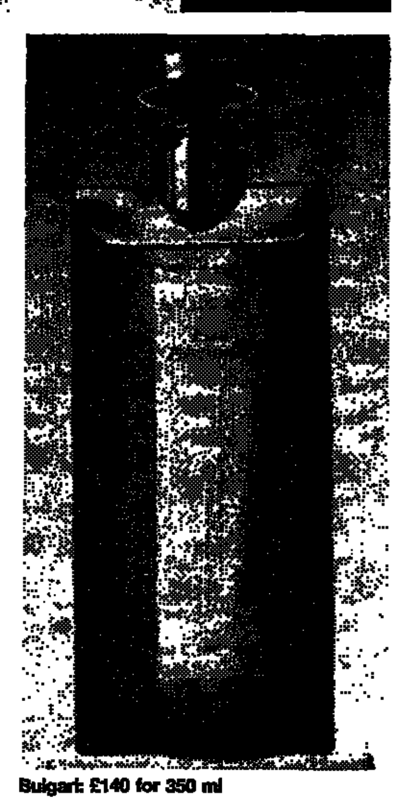
As for Kenzo's *oeuvre*, it is hard to define: light but more floral than the others, it, too, has the inestimable merit of being nice and quiet and well-behaved. Not the sort that, like some of its transatlantic cousins, would knock out all other contenders in an olfactory contest.

Prices: L'Eau D'Issey, is £68 for 15 ml of the Extract, £32.50 for 50 ml of the Eau de Toilette Spray and there is a range of body lotions, creams, gels and soaps as well. Major stores and selected chemists and perfumeries.

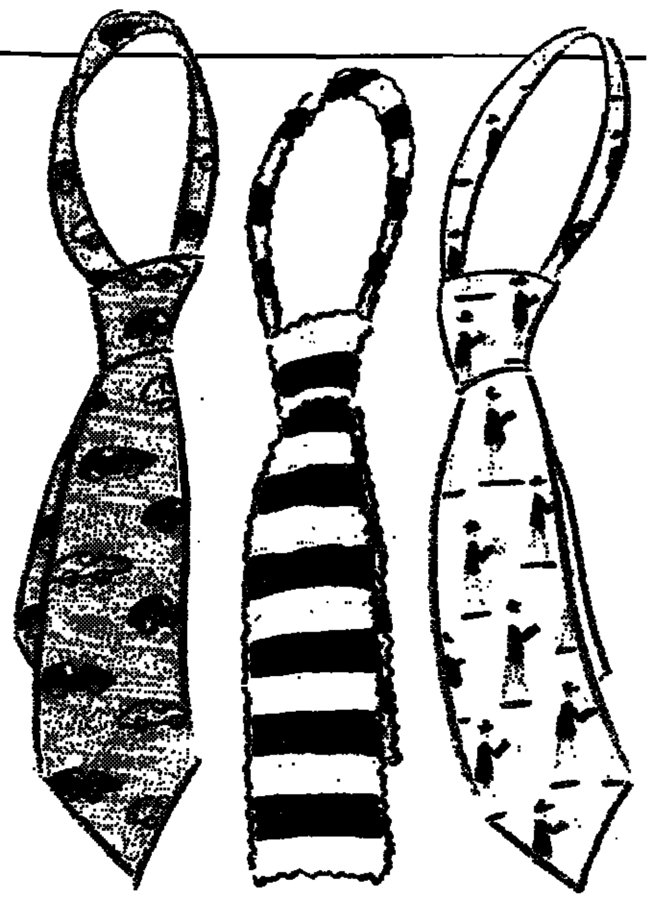
Jean-Paul Gaultier, £90 for 30 ml of Extract, £32.50 for 50 ml of Eau de Toilette. Available for the next four weeks at Harrods and after at selected stores and perfumeries.

Bulgari's Eau Parfumée is £140 for 350 ml and is available exclusively in Bulgari's London shops at 172 New Bond Street and at Harvey Nichols, Sloane Street, London SW1.

Kenzo's Parfum D'Eté is £47.50 for 7.5 ml of Extract Natural Spray and £32 for 50 ml of Eau de Toilette. Available exclusively from Harrods from May 17.



Bulgari: £140 for 350 ml



Chanel . . . the name to whisper

OF ALL the big brand names Chanel is the one that has attracted the greatest hoopla. In the late 1980s no fashion groupie went anywhere without her quilted bag, with its overlapping double C motif, declaring her allegiance to a special club. No-one was in doubt over the provenance of those chain-handled handbags, braided jackets, gilt and pearl earrings and – ultimate accolade of real cult status – an awareness of factories in Hong Kong, Korea and Taiwan which churned out copies.

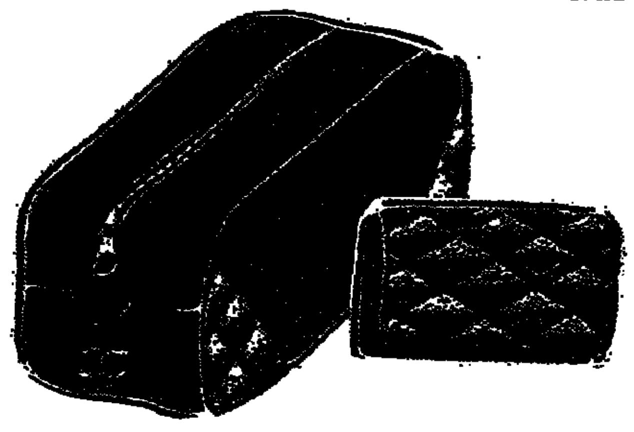
But what was there for the chaps? Where were the cult accessories for him? Nowhere, so far as most of us knew. But lurking quietly on the shelves, all this time, have been Chanel's own versions of that ubiquitous power symbol – the motif tie. Every bit as well-made and desirable as other better-known labels, it has been a strangely well-kept secret. A few women who went to Chanel to shop for themselves noticed them and bought them. But, when it came to ties, for a man to think of Chanel was almost unheard of.

All that may change now that word is getting out. Chanel ties are recognisably in the familiar, traditional mood of the executive power-tie. Just as other purveyors of neckwear to the board-room set have moved into motif ties, so Chanel has its own offerings. This summer's motifs take in old-fashioned toys, drums, racing-cars (sketched above), hot-air balloons, as well as motifs from traditional English sports such as cricket, tennis and football. New silk knitted ties (one of which is sketched here) come in plains and stripes and sport the gold chain to keep them hanging straight just like the jackets.

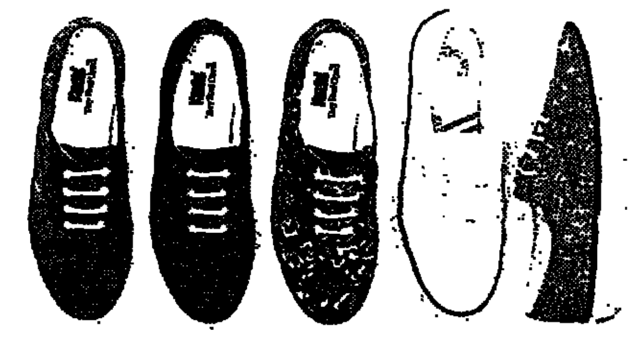
There are also several club stripes but no spots. Prices start at £55 for the silk motif ties and the knitted versions are £45. There are a few, luxurious, expensive accessories all with essential Chanel touches – washbags (sketched below, £230), wallets, credit-card holders and the like.

■ All can be found at Chanel shops at 26 Old Bond Street, London W1 and 31 Sloane Street, London SW3.

LvdP



Step out in style



AS A RELIEF from all those teetering wedge and platform-heeled shoes that ***the fashion pundits would*** **have us don this summer, I offer Keds as my contribution to foot welfare.**

Keds have long been a cult shoe in the US, but in the UK they are only just beginning to be well-known.

Keds have lots of things going for them, not least is price. The most expensive versions – in soft Nubuck leather – are £39.95 a pair and the least expensive – the canvas and denim range – are just £19.95. At these sort of prices it is possible to build up a small collection to go with every outfit.

Apart from the price, Keds are also welcome because the range, leather and canvas alike, is completely machine-washable and machine dryable, too.

Informal, insouciant, practical and fun, canvas Keds are not the shoes to wear to formal functions but are great for wearing around the house *or for doing the shopping or* teaming with summer day-clothes.

The leather versions, which also have no heel, are slightly more formal in feel and could be teamed with the new, long skirts.

In the canvas range, the Champion Oxfords are in all the fashionable, useful colours such as black, grey, khaki, white, navy and red. Then there are also tartans and denims, plain and flowered patterns. For the really young and funky there are also glittery versions in bronze, gunmetal grey and silver.

There is also now a new finish which Keds calls "Sandwashed Silk" though it is important to note that they are not made of silk – the name is derived from the fact that the finish is silk-like in feel.

These come in a range of colours (including summery colours such as pale green, butter yellow, navy and red) and cost £24.95 a pair.

The shoes are widely available at branches of Carvela and Russell & Bromley.

If anyone has any difficulty in tracking down a local stockist they could ring Shoon, the distributors, on 0458-834019 where Ruth Staple, who is in charge of Customer Service, will do her best to help.

■ Photographed above is a small selection from the canvas range.

LvdP

Lille parades its artistic legacy

***Patricia Morison** visits the French at the National*

THREE magnificent paintings, David's "Belisarius", Delacroix's "Medea", and Courbet's "Une Après-dinée à Ornans", make a compelling case for a visit to *Tradition and Revolution in French Art, 1700-1880* at the National Gallery. This exhibition is surely one of the most wide-ranging and informative surveys of French art to have been seen in Britain.

The exhibition comes from the Musée des Beaux-Arts in Lille, one of the best public collections in France. The museum opened in 1809, a few years after Napoleon had signed a decree permitting favoured towns to build museums at their own expense for works of art confiscated during the Revolution. The museum is now closed for rebuilding (reopening December 1994), and meanwhile parts of the collection have been sent abroad. It is a shrewd move, of a piece with Lille's commercial ambitions. The idea is that, once the Channel Tunnel is open, travellers crossing the mournful coastal reaches will flock to Lille as to a beacon of French culture.

Jacques-Louis David's "Belisarius" of 1781 is a marvellous painting, noble and pathetic. The contrast is an affecting one, between the blind old warrior and the golden child who stands between his knees. Both gaze imploringly at the compassionate lady who drops a coin into the outstretched helmet. A stormy sky casts menacing shadows over Byzantine Constantinople, an omen of the divine displeasure incurred by Emperor Justinian when he had his great general blinded. The soldier with his hands raised in horror is not one of David's happier passages, but makes the point that a state which outrages the moral sense of its citizens cannot prosper.

Opposite "Belisarius" hangs one of Delacroix's grimmest images, "Medea", the fugitive poised to slit the throats of her two struggling infants. Sketches make clear how the artist wrestled to balance this complicated composition, drawn in essence (and perhaps with deliberate irony) from Andrea del Sarto's "Charity". A shadow across Medea's brow, missing in the oil sketch, is a masterly touch which shows that evil has entirely possessed this unnatural mother.

These two paintings could illustrate any textbook account of French art's progress from neo-classicism to romanticism. The third huge masterpiece, Courbet's "Une Après-dinée à Ornans" of 1848, represents the shocking arrival of realism on the scene. It is now a wreck because Courbet used bitumen and litharge, but thanks partly to restoration, the real thing turns out to be more legible than in reproduction.

After the preceding paintings, the shock is still palpable. Here is an artist who thought that his friends, unremarkable chaps relaxing after dinner with a smoke, a fiddle, and a bottle of wine, were a fit subject for a massive canvas. It was not at all the same thing as painting artists in a studio, a conventional subject here represented by Boilly's studies for his "Studio of Isabey", part of an attractive group of paintings by this painter from Lille.

Courbet's scene is powerfully rustic and yet not the time-honoured depiction of peasants, as in Boilly's "Mon pied-de-boeuf" and a queasy Millet of a mother spoon-feeding her children. A new kind of peasant painting was about to appear, solemn moments in village ritual. The famous example from Lille is Jules Breton's "Procession to erect a Crucifix", itself based on Courbet's "Burial at Ornans".

And yet, so powerful is the mood conveyed by the "Après-dinée" that its underlying theme seems clear; the power of music over the senses. To be sure, it is a revolutionary painting in manner and technique, yet it is still rooted in a traditional subject. Such moments of realisation are many in an exhibition which fills a lot of gaps. The National Gallery's own collection of French art is patchy, even though the Wallace Collection compensates handsomely. However, *Tradition and Revolution* includes many unfamiliar artists who rarely find their place in textbook accounts of French art.

Unfortunately, the first room marks a dangerously low point with a feeble piece of mythological eroticism by Greuze and two laughable "Combats between Minerva and Mars". The first won Joseph-Benót Suvé the 1771 Prix de Rome. The version by David is a terrible thing, so clumsily put together in boudoir shades of sky-blue and rose, that it seems incredible he ever achieved anything great. Most certainly that was not within the grasp of Jean Raoux, specialist in Vestal Virgins, by whom there are two truly terrible paintings of Virgins Ancient and Modern.

Frightful things also lurk in the later 19th century, such as Amaury-Duval's "The Birth of Venus", and "Achilles and Priam" by Bastien-Lepage, a painting so awful as to exert a mesmeric fascination. But there are many paintings to set against these, such as Géricault's "Race of the Riderless Horses" and a glowing vase of flowers by Delacroix. Here, then, is a broad view of French art from Rococo to Impressionism (just, with two landscapes by Sisley and Lépine), as well as a powerful reminder that Lille *vaut le voyage*.

Exhibition closes July 11, late opening until 8 on Wednesdays

'Invocation to Neptune' by Jean-Jules Lecomte de Noüy: a small masterpiece in neo-Greek taste

Dance into a world of illusions

***Clement Crisp** reviews 'Antic'*

IN A programme note to his new *Antic* – given its first London showing on Thursday night at Sadler's Wells – Kim Brandstrup identifies what led him to make this danced version of *Hamlet*. Not narrative, but "what lies behind the words". This has also been Brandstrup's concern in such significant pieces as his *Peer Gynt* and *The Dybbuk*, and may be understood in *Mysteries*, his commentary on *Duke Bluebeard's Castle*.

Brandstrup's vision is refined, potent. His theatre is – thanks in part to what Karsavina called "blessed poverty" – one where every effect is reduced to its mechanical or physical essence, and, like the dance, resonates with meaning. This is what I find so convincing about his work, and it is what makes *Antic* fascinating and powerful. As with Noh, or with the theatre dreamed of by Edward Gordon Craig, we enter a world of allusions, symbols. Appearances are essences; less is superbly more. And in *Antic* – as with his exquisite *Orfeo* for London Contemporary Dance – Brandstrup has looked to an earlier theatre form as frame for his choreography. (And he has been joined by the same magnificent *Orfeo* collaborators: Craig Givens for design; Ian Dearden for score; Tina MacHugh for lighting, who share Brandstrup's imaginative subtlety and economy).

Antic owes certain of its attitudes to the 17th century *Trauerspiel* of Northern Europe, a mélange of sentiment and melodrama. Craig Givens sets the stage with grand simplicity by means of panels of almost spectral tapestry, with chairs, a table, the only properties. Costuming is of the period, sombre save for warm earthy shades for three actors in the play scene. The "look" is austere, very beautiful. And Tina MacHugh lights this world with ideal sensitivity to every dramatic point. Ian Dearden's score mixes electronic and instrumental sound to provide music both atmospheric and sustaining of the action. Like the choreography, it adjusts exactly to the idea of a baroque style re-cast for today.

The choreography is that subtext Branstrup has discerned behind Shakespeare's words. Passions, motives, emotional unease, are exposed in dancing that is impressive in its perceptions as in its ability to explore feeling. We may identify incident and characterisation from the play – the closet scene; Polonius' death; Ophelia's madness – but more significantly, we are taken into the minds or memories of the characters, and see how obsessions repeat, how psychic wounds remain open, how Hamlet's sufferings hedge him in.

Images are everywhere sure, vivid: the mad Ophelia moving from one frozen pose to another; Hamlet circling the stage in a swirl of action that tells of his indecisions; Claudius arranging the seated Gertrude in a pose, as he has earlier placed Ophelia; Hamlet at the last, held like a child on the shoulders of his ghost Father. Branstrup's theatre is compact of such memorable dynamics and such visual coups.

There are excellent performances from the ten members of Arc Dance: Jeremy James as Hamlet; Mark Ashman and Souli Yates as Claudius and Gertrude; Joanna O'Keeffe as Ophelia; Norman Douglas, Andrew Titcombe, David Scinto, Joy Constantinides, Daniel Belton, Patrick Mahoney. They provide ensemble playing of rare sensitivity.

Joanna O'Keeffe as Ophelia

Antic was made possible by sponsorship from the Stanley Thomas Johnson Foundation; Daniel Katz; the Leche Trust; the Mathilda and Terence Kennedy Charitable Trust. It is lamentable that Branstrup's company does not receive full funding from the Arts Council. I would urge Arc Dance to the attention of commercial sponsors: Brandstrup's serious and beautiful work stands in splendid contrast to the mediocrity and vulgarity that is so industriously promoted and bankrolled as modern dance in this country by official bodies.

Antic receives its last performance tonight at Sadler's Wells Theatre

Cheek by Jowl: a tour de force

***Michael Arditti** talks to director Declan Donnellan*

WHEN Lysander and Demetrius stop jockeying for position and agree to pursue Helena "cheek by jowl", they can little have guessed that their exit line would provide the name for the most successful theatre company of recent years. But then, what's in a name? In Brazil Cheek by Jowl are known as "face to face", in Argentina "elbow to elbow", in Uruguay "shoulder to shoulder", in Spain "flesh and nails" – and somewhere even "arse in knickers."

Few companies embodied the self-sufficient spirit of the 1980s more successfully – or more humanely. Frustrated by their inability to gain work from any established source, director Declan Donnellan and designer Nick Ormerod decided to mortgage their house and go it alone. They applied for a small Arts Council grant, patched together a nine-week tour and hit the road.

From the start the company established a reputation for exciting small-scale productions of the classics; although the size of the operation is often underestimated. As Donnellan says, "it's only in London people talk of our studio work; elsewhere we perform in huge auditoria". An accompanying reputation for irreverence is, in the director's view, equally unfounded: "From where we are, we are middle of the road purists".

After initial success with *The Country Wife* and *Othello*, it was their 1984 season of *Vanity Fair*, *Pericles* and *Andromache* which made their name with a metropolitan audience. The three productions exemplify the essential elements of the Cheek by Jowl approach – the narrative clarity and overt theatricality of *Vanity Fair*, with its heroic doubling by seven actors of 40 characters and inventive set in which boxes and banquettes became battlefields, boudoirs and ballrooms; the stylistic freedom of *Pericles* with its mime, music and direct address; and the rescue of *Andromache* from years of classroom tedium and theatrical neglect.

Their repertoire has remained resolutely classical: seven Shakespeares, two Restorations, one each of Calderon, Corneille, Racine, Ostrovsky, Sophocles and Lessing. In 12 years they have included only one new play, Donnellan's own examination of his Irish heritage, *Lady Betty*. And yet he explains that this neglect is utterly pragmatic: "It's rather ridiculous that we're performing plays by people so incredibly dead. But the reason is that we don't have the means to evaluate new ones. We get masses and masses of scripts which we simply don't have a chance to read."

It becomes increasingly clear that this pragmatism informs their whole operation. They never choose a play to score specific points, aesthetic or political, but rather to explore its meaning within a particular company. The main exception was in 1991 when they chose to examine the gender confusions of *As You Like It* with an all-male cast.

Their current production is Alfred de Musset's *Don't Fool With Love*, which reaches the Donmar Warehouse next week in Donnellan's own translation. He places it in the direct line of earlier revivals such as *Andromache* and *Le Cid* and its mix of styles fascinates him: "It moves from an opening of commedia-type drunken priests to intense romantic duos which might have been written by Flaubert. It's a cross between Madame Bovary and opera buffo."

Donnellan sees the keynote of his

> *'The truer you are to the play, the more original you will be'*

direction as the liberation of his actors' imaginations: "to help them act better, to steer them on the path that is most truthful." What is yet more unusual is that it is also the keynote of Ormerod's design. Not a sketch is committed to paper until he has worked with the company for at least two weeks. And, uniquely in contemporary British theatre, he remains present throughout rehearsals.

Such respect for their creativity is the reason that so many actors clamour to join Cheek by Jowl. The irony is that while both artistic directors consider it to be an actors' company, it is popularly perceived as a two-man band, existing solely to promote their own work. Only one production has ever been entrusted to an outsider, their former assistant Lindsay Posner. Certain actors do however remain constant; indeed it was the desire to create parts for company stalwart, Anne White, which led to two of their most contentious creations: the foul-mouthed female porter in *Macbeth* and the sex-changed King of Naples in *The Tempest*. But Donnellan insists that they never consciously try to be different. "It may sound a paradox, but the truer you are to the play, the more original you will be. The more you try to put yourself in, the more you'll end up like everyone else."

My own criticism would be less of such incidentals than of an emotional reserve. It is sometimes easier to admire the wit of a Cheek by Jowl production than to be fired by the passion. And, although Donnellan considers the greatest privilege of his work to be the poetry, his belief that poetry is what lies behind the words, rather than the words themselves, can lead to an underselling of the verse. Poetry is, famously, what gets lost in translation; to which Cheek by Jowl have been more susceptible than most. In ten years of intensive international touring, they have become our leading theatrical ambassadors. They played in Eastern Europe before the revolutions. In Prague they risked official displeasure by using a press conference to salute the imprisoned Vaclav Havel. In Bucharest their female King of Naples, seen here as Mrs Thatcher, was taken for the still more authoritarian Elena Ceaucescu.

Now that the cry of freedom has been heard, they stand at the forefront of cultural exchange with the new Romanian regime and next year will mount an epic production of *Boris Godunov*, first in Bucharest and then in Manchester, starring Ion Caramitru, who was that country's transitional vice-president and last seen here in the role of *Hamlet*. Only once have they been compromised by politics, when *Macbeth* was prevented from touring Chile for fear General Pinochet should see it as a reflection of his own career.

After twelve years on the road, 1650 performances, and a pervasive influence on the style of British classical production, its directors could be forgiven for sitting back on their laurels – or at least their Olivier awards. But they remain dedicated to touring and discount the alternative of running their own theatre as one where artistic considerations are submerged in those of patching up leaking roofs. And, although they have diversified with productions at the National such as *Fuente Ovejuna*, *Angels in America* and the forthcoming *Sweeney Todd*, their primary commitment to the company remains. It is a commitment as much personal as professional. For, if not as symbiotic as Gilbert and George, they are rarely apart. Indeed the key to their success lies in their total embodiment of their own ethos: living and working "cheek by jowl".

■ *Don't Fool With Love*: **Donmar Warehouse from April 19 - May 15**

Radio/**B.A. Young**

Inside the United Nations

EASTER broadcasts began on Good Friday with Radio 1's *Talk of the Devil*, an anthology of evil, ranging from *Paradise Lost* to the bombing of Nagasaki, with music by Elizabeth Parker from the Radiophonic Workshop and readings by Dr Leslie Griffiths, the Rev Steve Chalke and DJ The Man Ezeke, a Restafarian. Michael Wakelin produced.

At the other end of the scale, Radio 4 has swapped its morning Bible slot for *Something Understood*, a collection of spiritual but not necessarily religious English verse. Donne, Herbert and the rest are there, of course, but so are many poems by modern writers. The selection of readers is as imaginative as the selection of writers. David Benedictus produces.

The Thin Blue Line, Radio 4's four-week series on the United Nations, produced by Anne Sloman and presented by James Naughtie, examines the internal work of the UN and its capacity in the field. The first programme (Thursday, repeated tomorrow) assessed the practical influence of Boutros-Ghali on the UN. "The end of the cold war," he says, "means the democratisation of international relations, the new role of the United Nations". Boutros-Ghali is one of those recorded, civil and military, not only on the 37th floor of the UN building in New York (where the Peace-making and Peacekeeping Departments are), but in Zagreb, Cambodia and Cyprus, with occasional action-bites that emphasise the cleft between a decision and its realisation on the ground. The Canadians arguing with Serbs in Pankracs, the Royal Navy patrolling the Mekong River, the troops fighting boredom in Cyprus, these stress the gap between UN decisions and work in the field.

Naughtie can be an ace reporter on his various expeditions, and does not take sides - perhaps just as well. There is a written-in-advance feeling throughout that is a handicap in a current-affairs piece. Two days before the first programme went out, he had to report on the news that Prince Sadruddin Aga-Khan thought the Bosnian activities reflected "the worst bungling since the end of the cold war", and that "the moral foundations of the UN were at stake", thoughts much unlike Boutros-Ghali's, though rather like Lady Thatcher's.

The same disadvantage dogs Radio 4's six-part series *Ice Cream to Eskimos*, that began last Saturday. This scans the troubles of advertising agencies working on unpopular accounts, for the British Field Sports Association to popularise fox-hunting, for NACRO to promote the employment of ex-prisoners, and for CFW (Care for Family and Womanhood) against feminism and the employment of women. In this first programme, we had the easy answers – the fox is killed quickly; many ex-cons have no resources but valid skills; women's abilities are better suited to the home than the police or the armed forces.

Yet circumstances invade. Foxes, yes; but on *Costing the Earth* (Sunday, also Radio 4) we had the slaughter of pilot-whales by the Faroese, also regarded as a sport. Well, there are five more Saturdays for the arguments, which are matters of opinion, not the politics of *The Thin Blue Line*. In a fortnight we are to hear that the anti-feminism campaign has been relinquished, but no casualties are reported.

Less amusingly unwell than Jeffrey Bernard lately, I spent about ten hours with radio drama, of which I most enjoyed the start of Edith Wharton's *The Age of Innocence* (Radio 4, Wednesday). The 1920 world of New York snobs monitoring the progress of Newland (Andrew Wincott), newly engaged to sweet young May (Cathryn Harrison) but in danger from fast Ellen Olenska (Suzanne Bertish) is refreshingly unlike the romance of our own day, and Christopher Reason's adaptation should sustain the novel's excitement if all six parts are as good as this. David Hunter directs.

José van Dam (right) in the title role of 'Falstaff' with Mario Luperi in the festival's new production

Easter at Salzburg is changing its tune

The Wagner-and-verismo days are numbered, says **Andrew Clark**

THE SHADOW of Herbert von Karajan may have been displaced from Salzburg last summer by the explosive impact of Gérard Mortier, but it still hangs heavy over the Easter Festival. This is the private festival Karajan founded in 1967 for himself and his rich friends and admirers. Unlike the publicly-funded summer event, which had an identity before and beyond him, Karajan *was* the Easter Festival. Its 3,800 *Förderer* (supporters) paid an annual fee of up to £800 to attend one opera performance and three concerts, after each of which the standing ovation was as precisely orchestrated as the music.

Since his death in 1989, the "Karajan pilgrims" have continued to visit Salzburg at Easter to pay their respects. There is still an air of mourning – exemplified this year by two performances of Brahms' German Requiem, preceded by a minute's silence, with no applause at the end.

But the festival is finally being forced to look to the future and its long-term survival. Without Karajan, some festival-goers decided Salzburg was no longer worth supporting. Last year, the management had a nasty spat with the new regime at the Summer Festival, on whom it depends for co-production finance and set-building facilities. A power vacuum has developed.

The Easter Festival is still a limited company controlled by Karajan's heirs – his widow Eliette and their two daughters, who have shown no more than figure-head interest. The executor of the Karajan estate, the Swiss lawyer Werner Kupper, has a big say, but he is out of his depth in the arts. The festival administrator, Beate Burchhard, is not a strong personality in the Mortier mould. The artistic director for the past three years, Georg Solti, is a busy international conductor, not a native of Salzburg. The same can be said of his successor, Claudio Abbado, who shared this year's conducting workload.

But there is enough support – and reserve cash – to make plans, all of which suggests this Easter may have been a watershed. Next year Abbado will conduct Herbert Wernicke's new staging of *Boris Godunov*. There is talk of *Wozzeck* in 1995 with Bryn Terfel in the title role. The rift with Mortier has been patched up and an agreement signed for co-productions until 1997.

What matters now is the extent of Abbado's interest: whether he is willing to learn new operas (*Lulu* for example) and make the Easter Festival artistically, not just legally, independent of the Summer Festival. Whatever the outcome, the Berlin Philharmonic is eager to continue its 25-year association – conveniently so for Salzburg, because the orchestra's concert expenses are covered by the Berlin Senate. The Easter Festival's overwhelmingly conservative patrons may have to modify their traditional diet of Wagner-and-verismo, but at least the artistic standard will be maintained.

Salzburg at Easter has undoubted charm. The city is less crowded than in summer, the weather more temperate, and there is just one daily performance in the early evening, which helps to work up an appetite. Audiences may be uncritical, but at least there is an air of concentration. Karajan knew what he was doing.

This year's festival was a mixed success. In an all-Richard Strauss concert, Martha Argerich provided just the right blend of temperament and virtuosity to pull off the quirky *Burleske*, while *Till Eulenspiegel* found Abbado and the orchestra in superlative form. As for Solti, his endearing mannerisms and sheer energy at the age of 80 were fascinating – he has never really mellowed. But he and the Berlin Philharmonic inhabit different musical worlds. Given anything other than extremely quiet or lyrical music, Solti just drives through, an amalgam of nervous torso jerks, attacking downbeats and wrist-flicking tics. The orchestra's inbred tonal warmth, by contrast, softens the edges of everything it plays.

Last Saturday's programme of Beethoven's Second Symphony and Shostakovich's Fifth provided the stylistic battleground. The orchestra's strings won out in the slow movements of each, particularly in the meditative solemnity of the Shostakovich. But Solti refused to let the Beethoven breathe, and made the Shostakovich finale too triumphantly emphatic to hint at irony.

Where orchestra and conductor did find common ground was in the Prelude and Liebestod from *Tristan und Isolde*, a perfectly-graded performance of breathtaking translucence, which crowned a star-studded charity concert for Bosnia on Easter Sunday.

The Berliners sounded less at home in the pit for *Falstaff*, this year's new opera production. Where Verdi calls for a nimble spring-in-the-step, they offered symphonic mass and less-than-sparkling ensemble. Their Vienna counterparts, who have the opera in their repertory, will probably make a better job when the production is revived in the summer. It was, nonetheless, a *Falstaff* of high musical values. This was the work which introduced Solti to Salzburg in 1937, as a 24-year old assistant to Toscanini – who had played cello in the premiere 100 years ago. Now the same age as Verdi was then, Solti paced the music with guileless ease, a master of its mercurial moods.

His cast included Luciana Serra's flirtatious Alice, Marjana Lipovsek's imposing Mrs Quickly and a delectable pair of lovers in Luca Canonici and Elizabeth Norberg-Schulz. Paolo Coni sang Ford with virile authority, while Kim Begley, Pierre Lefebvre and Mario Luperi made a well-contrasted trio of comic comprimarios. José van Dam's Falstaff was no buffoon, but a stubby, scruffy, cantankerous old terrier, capable of scuttling a Pistol twice his size, alternately outrageous, dignified and randy. The acting was all in the voice.

The staging was by Luca Ronconi, with designs by Margherita Palli and Vera Marzot. Like so many before them, they were seduced by the monumental breadth of the Grosses Festspielhaus stage, diluting the opera's intimate atmosphere in decor of architectural vastness. Some of Ronconi's ideas were distinctly odd: the Garter Inn resembled a bottling factory; Falstaff was tipped into the Fords' garden fish-pond; the last scene was a nonsensical Midsummer Night's Dream, with Falstaff's bedroom sprouting the foliage of Herne's Oak. If this was Ronconi's idea of fun, then for once the joke was on the producer.

Shaken and stirred by serial music

David Murray *applauds the 'Alternative Vienna' mini-festival on the South Bank*

ON THURSDAY the South Bank began one of its timeliest and best-planned mini-festivals, under the label "Alternative Vienna". That is a fairly sexy label: it suggests something subversive of Vienna's notorious conservatism about music – something brash and populist, and perhaps a bit tacky, as many cultivated Berliners found Kurt Weill's theatre-music in the 1930s.

There *is* some kinship. Yet an alternative label might have captured better why Kurt Schwertsik (born 1935) and H.K. Gruber (just turned 50) should have a mini-festival built around their music: "The Viennese Alternative". Far beyond Austria, many, many composers who were shaken and/or stirred by the potent ideals of serialism, in the 1950s and after, have ever since been seeking an Alternative like a Holy Grail.

On the one hand, serialism proposed a compositional means that could be both "rigorous" and bracingly open-ended, with exciting room for development. On the other its lofty disdain for tonality – an omnipresent power no less in popular music (meaning the music we all grow up with) than in "classical" – challenged new listeners with the test of learning the rules of an unfamiliar game. Only a few of them bothered to do that. Predictions that modern audiences would slip naturally into the right listening-mode proved over-optimistic by a very long way: between the general audience and an educated sub-set, a chasm has yawned.

It was a continuing embarrassment that the works of Alban Berg – only sometimes properly "serial" and fraught with compromising tonal echoes – remained the sole public triumph of the New Music. Composers nowadays, like their colleagues in other arts, are acutely self-conscious about theory; there have been no good theories to accommodate both serialism, with its guiding premise about the "democracy" of all 12 notes of the chromatic scale, *and* the bald fact that our ears hunt out tonally biased roots.

Yet there is an escape-route: which is to remember that every creditable theory about music – about any art! – *follows* practice, and does not precede it. The first thing to be said about the music of Schwertsik and Gruber is that it is directly engaging, sometimes hugely engaging, without trading upon familiar routines (except to contradict them). Continual surprises are essential to its charm, not least because in retrospect they seem to make perfect sense. These composers deploy elements of well-worn styles in unexpected orders, and a strictly up-to-date sensibility shines through.

They are close colleagues, but not twins. At the start of the 1960s, when Gruber had just retired from the Vienna Boys' Choir and taken up the double-bass, Schwertsik was a committed disciple of the Darmstadt school. With Friedrich Cerha he had already founded the ensemble *die reihe* ("the row", *i.e.* the Schoenbergian 12-note row, and by extension any new serialist methods) – a senior Continental equivalent of the London Sinfonietta. But doubts about communicability were setting in; Schwertsik was attracted by John Cage's musical anarchism, and he also became a friend of the young Cornelius Cardew, then a frustrated under-labourer on Stockhausen's arcanely elaborate scores.

While Cardew turned to writing for transparent popular appeal with a frank political message, Schwertsik published a manifesto inveighing against narrow serialist dogma. He had already produced the "Violin Concerto" we heard on Thursday, really a five-piece suite of exquisitely dry, contrasted manners, all deeply quirky – weird little ensembles for accompaniments (but peculiarly telling), abrupt silences at unexpected places, the solo role bundled briskly from foreground to background and back again; but always, a limpid lyrical line.

The young Russian Sergej Stadler delivered it with all the right lusty innocence; Franz Welser-Möst drew beautifully wry support from his London Philharmonic. It was appalling to hear them return after the interval to play Mahler's Symphony no. 9 so badly – ill-tuned, raw and rough – and to watch Welser-Möst's extravagant windmilling achieve only a first movement that sounded like a kit of unassembled parts, middle movements of shrill crudity, and a heedlessly loud, vulgar finale. There must be more to the story; perhaps there had been some kind of cataclysm in the Green Room.

While Gruber played double-bass in *die reihe*, his music never travelled far. By the start of the 1980s, however, his "pan-demonium" *Frankenstein!!* – a monster cabaret on gallows-humour verses, for himself as rampant *chansonnier* and a brittly twinkling orchestra (due here on April 27) – began to make the rounds of all the musical capitals. A first Violin Concerto soon confirmed that there was a unique Gruber idiom, besides a delectable sweet-and-sour sound (he loves vibes, marimbas, xylorimbas and glockenspiels), and that it was rich enough to nourish a substantial work.

His virtuoso Cello Concerto (April 24), commissioned by Yo Yo Ma, is a miracle of evasive wit and charm, a lovely gift to the repertoire. Londoners are still waiting to hear his intense, spidery, intimate Violin Concerto no. 2. What makes the Schwertsik-Gruber front a significant Viennese Alternative, and not just Alternative Viennese, is that they have found a musical diction that answers to ideals widely entertained, but scarcely realised anywhere else.

To be open and appealing to non-theoretical ears; to rise to succinct, complex expression nevertheless, escaping the constraints of popular Minimalism (a second-rate Alternative); to eschew stock routines and cosy pastiche, whilst acknowledging roots in the old musical basis – a lot of composers wish they could manage that! If you care about where "modern" music might be going, you should go and hear some of this stuff. At the very least, which is already a lot, it will be *fun*.

■ **Further "Alternative Vienna" concerts tonight, April 17, 24, 26, 27, 28, 30 and May 6; details from South Bank Centre box-office**

Chess No 970:
(a) is best. White's king can head for a1, abandon all his pawns, and draw since Black's bishop does not control his pawn's queening square. (b) loses to 1 b3? Kc5 2 b4+ Kxc4 3 b5 Kc5 4 b6 axb6 mate, while (c) loses to 1 b4? Bb7 2 b5+ (2 c5 Bc8) Kc5.

Fiction

Deep in the soul of the American male

WOLF **by Jim Harrison** *Flamingo £4.99, 225 pages*
A GOOD DAY TO DIE **by Jim Harrison** *Flamingo £4.99, 176 pages*
FARMER **by Jim Harrison** *Flamingo £4.99, 160 pages*
WARLOCK **by Jim Harrison** *Flamingo £4.99, 262 pages*

IN A time where courageous publishing decisions are thin on the ground, Flamingo's publication for the first time in the UK of four early novels by the grossly undervalued Jim Harrison deserves a standing ovation. Harrison is among the most accomplished American novelists of his generation, a raucous yet urbane storyteller whose books provide a useful map to the personal and national midlife crises that grip his country.

Wolf (1971), Harrison's first novel, tells the story of the frazzled and mercurial Swanson, a failed romantic of 33 years who returns to the wilds of his native Michigan after abortive attempts to find meaning in 1960s America. For five miserable, booze-free days, he fruitlessly tries to get a glimpse of the vanishing timberwolf before it becomes extinct. As he searches, he reflects on his own tenuous existence: drinking, wandering and engaging in a series of disastrous love affairs, all the while tortured by the notion that "I don't want to live on earth but I want to live."

Though thin on plot, the book is full of humour and anger. Swanson is the sort of left-handed rebel whose excesses and screw-ups stand more as a condemnation of his diseased culture than any personal shortcoming. He is a man in the throes of a spiritual hangover, blinking awake after a decade-long binge, gasping for a glimpse of something primitive and pure to make the pain go away.

This anger becomes increasingly focused in Harrison's second novel, *A Good Day to Die* (1973). Again, the hero is a dispossessed young man whose attempts at marriage and career have fizzled out. Lacking anything better to do, he teams up with a speed-addicted Vietnam vet and his redneck girlfriend in a crazed plot to blow up one of the many dams clotting America's west. "It occurred to me I should question my motives but found that I had none," the narrator confesses at one point. It is a taut, compelling story about people at war with themselves and their era, a howl of environmental outrage clothed in a fast-paced adventure story. Finely poised between farce and tragedy, it conveys the moral vacuity of Nixon's America with a rare fervour.

A different, quieter sort of energy fuels *Farmer* (1976), the story of a 42-year-old schoolteacher who has reached a Frostian crossroads in his life and has to choose which path to take. Joseph has just lost his job and must decide whether to begin working his ancestral farm or flee it to live near the ocean he loves without ever having seen. To complicate matters, he is engaged in two love affairs – one with a flighty student, the other with his widowed childhood sweetheart.

Harrison establishes these conflicts with a steady and subtle hand, evoking the sense of quiet dread that grips many men when they reach the middle point of their life. This crisis is examined more riotously in *Warlock* (1981), arguably Harrison's best book and undoubtedly his funniest. It tells the story of Johnny Lundgren, also 42, who loses his cushy job and sinks into morose self-absorption, jeopardising his marriage and waistline in the process.

He snaps out of it when a local millionaire hires him to straighten out his Byzantine personal and financial affairs. Lundgren turns into a cod private eye, travelling from the wilds of Northern Michigan to the equally dangerous mansions of Palm Beach in a series of increasingly hilarious adventures. It is as wildly raunchy as *Farmer* is understated, a book of high farce and low humour.

These four books, taken together, provide a fulsome portrait of the American male's soul every bit as incisive as Updike or Roth. Harrison is a writer whose ribald humour is balanced by a tight-lipped sensitivity, whose love of the rugged outdoors fails to mask the connoisseur of gourmet food and fine art.

But, in the end, what makes Harrison such a pleasure to read is the sheer inventiveness and grace of his prose. As he states in *Wolf*, "An obtuse paragraph is always toxic." Well, in these remarkable books the writing remains as toxin-free as Harrison's beloved Upper Peninsula must have been when the wolves were more common than that troublesome creature, modern man.

Stephen Amidon

Shades of the past

GHOSTS **by John Banville** *Secker & Warburg £14.99, 244 pages*
THE MUSEUM OF LOVE **by Steve Weiner** *Bloomsbury £15.99, 214 pages*
AIR AND FIRE **by Rupert Thomson** *Bloomsbury £15.99, 311 pages*
ODO'S HANGING **by Peter Benson** *Hodder & Stoughton £14.99, 251 pages*

ON AN island facing the Atlantic, the unnamed narrator of *Ghosts* serves out a personal penance for an unnamed crime. He has done his stint in jail; now he is working on a book in the shadow of the island's resident art historian and an irascible side-kick idiosyncratically named Licht.

Islands contain in narrower confines psychological as well as physical geographies. Hence their fascination for writers. They invite intrusion no less than metaphor. To this island, intrusion comes in the form of a disparate group of people to shake up the narrator's near arcadian existence, invoking unwelcome ghosts from his past. "This is what happens to you in prison," the narrator reflects, "you lose your past, it is confiscated from you". However, the past is richly retrieved in extensive inner monologues evoked by the narrator's interplay with the newcomers.

This is a strange novel of startling contrasts: a brooding gothic mood suffuses a pleasant pastel-tinted ambience. *Ghosts* is Banville's ninth novel. His originality has not deserted him. Much of the writing flows with a lyrical rhythm, and what a joy that is. Yet this is only half a commendation, for the full-bodied resonance of language obtrudes, exposing baldness of plot and some imperfectly-focused ideas.

By contrast, Steve Weiner's *The Museum of Love* is diamond-hard and lean. Its opening sentence is compelling: "In August that year a Lutheran farmer named Ed Gien shot a social worker in the cranberry bogs." From there on the hold on the reader is sustained to the end with hardly a let up.

The hero, Jean-Michel, is a French Canadian Catholic. His father, a prison warden, is depressive and violent. The young Jean-Michel hits the road, embarking on an odyssey whose arbitrary comic brutality recalls William Burroughs. Just about everything happens to him. His friends, his family, move in and out of his story like a parade of exotics in a circus. Jean-Michel is tough, resilient, totally without self-pity, and therefore engaging.

This is a first novel of astonishing power and accomplishment. The writing is superbly economical. Only a certain rawness of moral vision makes this novel a whisker short of being brilliant.

At the close of the 19th century, the setting for *Air and Fire*, a steamer makes its way to Santa Sofia, a remote copper-mining town in Mexico. On board is a French engineer Théophile Valence, with his beautiful young wife, Suzanne. His mission is to erect a metal church, whose 2,348 components are packed in the ship's hold. The project is the brainchild of Gustave Eiffel, with whom M. Valence corresponds. Ethereal and inexperienced, Suzanne yearns for the kind of romantic love her eminently rational husband is incapable of giving. Wilson, an American drifter can, so Suzanne believes, but won't. Montoya, the flamboyant local army commander, wants to but is rejected.

Rupert Thomson manages some marvellous writing here, in a style well-suited to the evocative, semi-fantastical landscape he creates. But the promise he skilfully upholds through more than half the novel, is never quite realised in the end: there is more *Air* than *Fire* to the story.

The Bayeux Tapestry propels the story of Peter Benson's charming novel. Turold, a master Norman designer of imposing stature and turbulent character, is commissioned by William the Conqueror's half-brother, Bishop Odo, to create the tapestry. Reluctantly, Turold sails for England with his dumb assistant Robert, the story's narrator. The "real" story evolves side by side with that which the commissioned tapestry records for posterity. And it's a good one.

Elon Salmon

Tinker, tailor, playwright, spy – and victim

*Christopher Marlowe's double life seemed bound to lead to a sticky end. **Anthony Curtis** reviews three imaginative scenarios*

WRITING PLAYS and spying on the enemies of your country appear to be occupations that combine happily. During the first world war Somerset Maugham, based in Switzerland, was turning out brittle marital comedies for the London stage with one hand while sending back to Whitehall secret reports on the activities of German agents in Lausanne with the other. In leading this double-life Maugham was following in the illustrious footsteps of a British playwright who appears a few paragraphs higher (above Marston and Massinger) in the theatrical dictionaries: Christopher Marlowe.

In Marlowe's period the threat to the security and sovereignty of England came not from Germany but from Spain. The Armada had been turned back, the King of Spain's beard well and truly singed in 1588, but that had not removed fears of a Spanish-led Catholic takeover, and these fears were exacerbated following the execution of Mary Queen of Scots by the prospect of an influx of Scottish Catholics under the banner of the new King, her son, from over the border.

No one was more concerned about this than Sir Francis Walsingham, Elizabeth's spymaster-in-chief, who stood at the centre of an intricate spider's web of intelligence activity spreading into Scotland and over the Channel into France.

Around the time of the Armada Marlowe had put himself sensationally on the theatrical map with *Tamburlaine*, parts one and two, performed by the Admiral's Men with Edward Alleyn in the title-role. The brilliant young playwright, son of a Canterbury shoemaker, seems in retrospect like a glittering drag-on-fly caught in the espionage web and ultimately destroyed by it.

As were later spies, Marlowe was recruited while still an undergraduate at Cambridge University. He interrupted his degree course to go on a mission to Rheims where he infiltrated the ranks of Catholic priests disguised as Huguenot refugees on their way to England. Back in London he put the finger on them and they were summarily executed.

After *Tamburlaine* Marlowe had several more smash-hits to write – *The Jew of Malta, Edward II, Dr Faustus* – but in spite of being the

A DEAD MAN IN DEPTFORD
by Anthony Burgess
Hutchinson £14.99, 272 pages

CHRISTOPHERUS, or Tom Kidd's Revenge
by Robin Chapman
Sinclair-Stevenson £14.99, 393 pages

THE SLICING EDGE OF DEATH
by Judith Cook
Simon & Schuster £14.99, 234 pages

most successful dramatist of his day, the long arm of the Service refused to let him be.

Was Marlowe about to embark on some secret mission when he died suddenly as the result of a tavern brawl in the busy port of Deptford? It was a nerve-centre in those days of two-way traffic to and from the continent and it seems unlikely that Marlowe went there on a lunch date just for fun.

Speculation about the causes of his sticky end in Deptford has been rife, with dozens of books aiming to solve the mystery. But with the 400th anniversary of Marlowe's death on May 30 1593 coming up soon, the trickle has become a torrent. Marlowe-mania is currently sweeping the bookshops and theatres.

These three novels all cover exactly the same ground, spinning yards of fluent fantasy from the few scanty facts and documents. They each come to a different solution to the problem, and so does the play on the same theme, *The School of Night*, by Peter Whelan, now at the Barbican's Pit theatre.

The salient point on which all the authors agree is that Marlowe's death was not the fortuitous event that the inquest implied. They all detect the hand of the Service as being implicated, either directly or indirectly. It was Leslie Hotson, an indefatigable American literary sleuth, who unearthed the findings of the official inquest on Marlowe's death. To fuel our suspicions, it was conducted not by the regular coroner but by one directly responsible to the Crown. "In the event" says Judith Cook "the official version raised more questions than answers..."

It is the version presented in Cook's novel, *The Slicing Edge of Death* (published on May 27) that I would advise anyone new to the game to read first. It deals with all the main points in by far the clearest and most comprehensible manner while stating in an Author's note at the end exactly what is invention and what is derived from historical evidence.

Cook roots her exciting, readable novel firmly in the world of the playhouses and she highlights the rivalry between Henslowe's company, to which Marlowe was attached, and that of Richard Burbage, soon to be the Chamberlain's Men, where "the upstart crow" from Stratford was beginning to make a name for himself.

Hamlet had not yet been written. In the little scene often cut in performance where Polonius sends a pair of agents to Paris to spy on Laertes and report back to him, as well as in the characters of Rosencrantz and Guildenstern, we can see how strongly intelligence-gathering and its perils pressed upon the minds of the Elizabethans. But if the *Hamlet* we know had not yet come into existence when Marlowe died, there may well have been an earlier version floating around by Thomas Kyd on which Shakespeare's play was based.

The unfortunate Kyd is given centre stage in *Christopherus, or Tom Kyd's Revenge* by Robin Chapman. One of the few alleged facts known about him is that he had the misfortune to harbour among his papers a rough draft of a blasphemous paper by Marlowe intended for Sir Walter Raleigh's putative School of Night (a kind of Elizabethan version of the Cambridge Apostles) which was discovered by the authorities when his lodgings were raided. Kyd was arrested and after being tortured signed a confession denouncing his former friend Marlowe as an atheist.

Kyd emerges as a tragic figure with whom Chapman identifies movingly. He focuses on him in the period after his release when Kyd is attempting to rehabilitate himself and come to terms with his betrayal of his friend. This long wayward book is not for the squeamish but it is full of many fine imaginative flights concerning the principal figures in Marlowe's life: his patron Thomas Walsingham (cousin of Francis), Baines and Poley the duplicitous false friends, Nick Skeres and Ingram Frizer, the hired thugs (the latter twisted the knife on that fatal afternoon). Chapman makes it all seem very complicated in terms of these individuals' motivations. But no doubt, if we could know the truth, it was.

They all re-appear in *A Dead Man in Deptford*. Anthony Burgess, that maestro of the mother tongue, has his own way of dealing with history, as a kind of musical fugue in which certain motifs constantly recur – drunkenness, blood-letting, whoring – and this novel is a typical Burgess performance.

The homosexual side of Marlowe's relations with his patron and his performers is thoroughly exploited. Marlowe becomes a brash camp Elizabethan Guy Burgess, strutting and preening his hour upon the stage. The nauseating stench of the stews of a London infested by Plague comes across pungently. The people of this period loved to play with words as if they were notes in music and so does Burgess. In some ways he is closest to them emotionally, but once again he has not given us an easy read.

Travellers' tales for anxious aspirants

***Chloe Chard** on tourism and its limitations*

TOURISM, as James Buzard points out, has long been the object of supercilious sneers: an article of 1865 suggested that the new package tours organized by Thomas Cook offered "a kind of Continental experience which is to that obtained in the regular way precisely what a 'dicky' [a false shirt front] is to a shirt."

Since the beginnings of touristic travel early in the 19th century, Buzard argues in this well-documented book (sub-titled *European Tourism, Literature, and the Ways to Culture, 1800-1918*), there has been a tradition of "anti-tourism" which has established a sharp distinction between "those who feel enthusiasm" and those of limited sensibilities. Anti-tourists have attempted to define their own experiences of foreign countries as "authentic and unique," partly by seeking out places removed sharply from the more mundane aspects of modern life.

Travellers aspiring beyond the banalities of the "beaten track" have, nonetheless, often been troubled by an uneasy awareness that they are themselves trapped within the limitations of tourism. The final chapters, on Henry James and E.M. Forster, place particular emphasis on this discouraging realisation. Forster's writings, Buzard observes, show that those who profess spiritual affinities with foreign culture can be every bit as baneful in their effect on foreigners as more humble tourists.

In Forster's short story *The Eternal Moment*, for example, an English female novelist returns to the alpine town of Vorta, which has become a popular resort as a result of a novel she wrote about it 20 years earlier. On her first visit, a handsome, athletic young porter made amorous advances to her – an episode she remembers with some excitement.

He now re-appears as the fat, prosperous concierge of the Grand Hotel des Alpes; she realises that she herself, in bringing tourism to Vorta, is responsible for "his greasy

THE BEATEN TRACK
by James Buzard
Clarendon Press, Oxford £35, 357 pages

stoutness, his big black kiss-curl, his waxed moustache."

Even in narratives of disillusionment such as this, it could be argued that it is possible to discern traces of a more uncompromisingly romantic approach to travel. Tourism enters into conflict not only with anti-tourist fastidiousness but also with an urge to cast aside constraint, to act out transgressive desires in foreign places, and to place one's self-identity at risk.

When outlining the "romantic" attitude towards travel, Buzard cites Samuel Rogers' resolutely-staid definition of a journey abroad as a safe and "innocent" outlet for potentially disruptive desires. A "Byronic model" of the lone wanderer escaping home and family also is mentioned briefly.

Byronism, however, is associated less with wild, destabilising promptings than with a smugly self-confirmatory masculine pose – linked to the fantasy of Italy as a "woman-country ... yielding itself to appropriation by male imaginations from the North."

Reference back to the life and works of Byron himself, Buzard demonstrates, became an expected part of the standard ritualised itinerary of Europe: the poet's reputation as "the scandalous embodiment of an anti-British Continentalism" was modified swiftly as his writings were quoted sententiously by guide books and his travels invoked piously by local guides and servants.'

Many sections of *The Beaten Track* are full of insight and crisp definition; the book includes, for example, a brisk survey of the role of the guide book in the early-20th century novel; and an elegant account of the "family abroad plot" in which ambitious but impressionable mothers and daughters pursue social advantage and trivial diversion in Italy.

If the reader feels, nonetheless, a bit dispirited by Buzard's emphasis on anxious aspiration, I recommend strongly the more cheerful view of tourism offered by Evelyn Waugh's *Labels*. Waugh, happily, envisages "the middle-aged widow of comfortable means" attracted by travel brochures in which "that rosy sequence of association, desert moon, pyramids, palms ... all delicately point the way to sheik, rape, and harem."

Watching Mr Frisk win the Grand National in April 1990: an illustration from "Liverpool: looking out to sea"

Liverpool: the quick and the dead

"ABOVE ALL, pay attention to life," wrote Henri Cartier-Bresson who, along with Robert Capa, was a founding member of Magnum Photos in 1947. It has been an edict to which Peter Marlow, the agency's president now, has subscribed faithfully; his previous work has recorded the conflict and suffering in war zones and refugee camps around the world.

Between assignments abroad, Marlow returned periodically throughout the 1980s to photograph the people and buildings of Liverpool. The cumulative result is a powerful social document, Liverpool: Looking Out To Sea, now showing at The Photographers' Gallery in London and also published by Jonathan Cape (£35/£20, 111 pages).

Marlow's achievement is to penetrate the humanity behind Liverpool's media image with an admirably unsentimental style that accommodates both the artless, snapshot aesthetic of social landscape photography and more painterly, chiaroscuro prints, such as those of men and boys scavenging in rubbish dumps.

Never shy of the grand gesture (one of his contributions to the Hayward Gallery's Magnum retrospective three years ago showed a US soldier grieving before Washington's Vietnam war memorial, here echoed by a fan mourning the Hillsborough victims), Marlow's ennobling, luminous tones inject a measure of sympathy for a city once fat on the imperial plenty of the slave trade.

And, amid this wasteland, a river runs through it. Marlow points constantly to the Mersey's embarrassed, disconsolate presence as a metaphor for the city's decay and disuse. Empty of the ships that brought Liverpool wealth, the only vessels to break its monotonous expanse are half-full ferries and a Sunday afternoon yacht race where a white marker flag offers up a symbol of surrender.

Richard McClure

Wild times in nature's global village

"ALTARWISE BY owl light" was the line of Dylan Thomas which Robert Graves castigated as utterly meaningless. *The Moon by Whale Light* is similarly obscure, but we will allow it as a title. The author has poetry in her soul: if, on a moonlit beach in Patagonia, she is more taken by the night-time sighs and sneezes of the nearby whales than the source of their illumination, it is forgivable. As so often in this book, the reader is simply writhing with envy.

The *New Yorker* is, by tradition, a sponsor of good writing (and tolerant of poetry, too). Diane Ackerman was commissioned by its editor to write the quartet of essays which constitute this book, and the result is a curious hybrid of proper reportage, poetic intelligence and wild-life documentary. Bats in Texas and alligators in Florida, whales off Hawaii and Argentina, penguins in California and the south Atlantic: these are the ultimate subjects, but they are reached only via the means and the words – reproduced verbatim, and at length – of those naturalists for whom they are a focus of study. The author part tags along, part throws herself into the action.

The result is a success, on two counts. First, these naturalists are people worth meeting and worth quoting. They come across as dedicated, sane, non-rhetorical and gracious. They are not planet-saving bores. Second, although the author has done some homework on the fauna, she has not overdone it; and what impresses one most about her essays is not the aggregation of scientific knowledge (although that is there) so much as the almost child-like responses she records of her own encounters.

Pathos is inevitable in some of these eyeball-to-eyeball meetings (a bat crawls around her head and gazes up at her "with liquid eyes in which a

THE MOON BY WHALE LIGHT
by Diane Ackerman
Chapmans £15.99, 249 pages

thousand truths of the rain forest were hidden"); but it is generally tempered by good sense and, above all, by an ironic sort of respect.

It is ironic because human beings do not customarily expect to learn good manners from animals. And yet, the tendency to anthropomorphise animal behaviour imports injustice to some animals. This is most apparent with the whales. Swimming alongside a serene mother and her calf, the author registers that the disposition of the whale is, in fact, rather superior to that of humankind. Mother whale keeps an eye on the vistor's movements, and could blast her away with one whim of her flipper. But, again, eye contact is made: "I knew that if I showed her where I was and what I was and that I meant her no harm, she would return the courtesy."

The establishment of natural trust, which humans among themselves usually relegate to Utopia, is also patent with the penguins. Since they have no land predators, penguins are amiable to whoever comes to study them. In fact, penguins seem to think that if you come to study them, it is an opportunity for them to study you: check out how you feel, whether you might be good for mating with – and so on.

The literary precedents for this sort of exercise are formidable, as the author well knows. But it is saved from becoming some sort of cute bestiary by a steadily understated sense of urgency. Most of the people Ackerman uses as her agents for access to the animals are in the field because, if they were not, there might be nothing there.

Green polemicising, as I say, is not dominant in the book. But, by implication, it is a powerful contribution to the conservation case. Quite unheard by us, bats are often shouting very loudly to each other. Whales boom great submarine arias. Alligators have been chatting to each other for 230m years. Penguins give each other presents as part of their courtship. All this is not a romance of nature: rather, a great advertisement for the global village.

Nigel Spivey

Poetry / **Michael Glover**

The human meteorite who fell without trace

WHAT more satisfying a name for an enigma than Weldon Kees, the American poet whose car was found abandoned near San Francisco's Golden Gate bridge in 1955? Was it suicide or a feint? No trace of his body was found, no satisfactory explanation offered.

A recent *Bookmark* programme set itself the thankless task of discovering the truth about Kees. It tracked him through the America of his lifetime – from his mid-west, pre-Depression childhood in Beatrice, Nebraska, through his years in New York City in the 1940s (where he made documentary films; worked briefly as art critic of the *Nation*; wrote for *Time* and Paramount Newsreel; painted canvases that allied him with the early abstract expressionists; and wrote Brechtian songs for vaudeville) and back to San Francisco where he took up classical jazz piano and collaborated on a book about non-verbal communication, illus-

COLLECTED POEMS
by Weldon Kees
Faber £7.99, 180 pages

COLLECTED EARLY POEMS 1950-70
by Adrienne Rich
Norton £7??, 435 pages

trated with his own photographs. All this apart, there was the writing: short stories (still uncollected), a novel (published in the US two years ago), and the poems now available in Britain for the first time.

What sort of a man was he? A meteorite, by all accounts; a man of intense, feverish activity. A chain-smoking poser; a country boy turned city slicker (if the photographs are to be believed). "He lived in a permanent and hopeless apocalypse," said Kenneth Rexroth, godfather of the Beats, who knew him towards the end of his life. (That apocalypse was, of course, sustained by drugs and alcohol).

He was a man of narrow and profound vision whose poetry, prosaic in style, displays a kind of benumbed bitterness; a strange, obsessive, riddling analysis of the heart's paralysis. From time to time, it has the desolation of an Edward Lear: "A white-faced man with sad, enormous eyes." The light in the poems usually is bleached, wan, colourless. Nothing is healed, nothing shriven. Kees returns empty-handed from the search for life's meaning.

Although he lived 1,000 miles or more from the respectability of his family, Kees, an only child, used to send home newspaper cuttings on his "successes" as a poet, film-maker, etc. Did his mother understand? When, two days after his disappearance, the dusty, fusty couple appeared in San Francisco and were taken to the bridge, his mother looked down at the water, disbelievingly, and said: "But he was never the athletic type."

Kees published only three small volumes of poetry over 11 years and was never regarded as a major figure during his lifetime. Adrienne Rich, on the other hand, in a career as poet and libertarian activist that spans nearly half a century, has become both a popular and a recognisably angry public voice.

And yet, it was not always so – as her *Collected Early Poems 1950-1970* demonstrates. In her first collection of 1951, for example, which is full of the enormous assurance of youth, she regards everything with a calm, aestheticising eye. There is an attitude of wise resignation before the things of the world.

By the late 1960s, having passed through the political turbulence of that decade, there is no such thing as inner and outer any more – everything is political. The old language is the language of the oppressor and it must be wrested from his grasp.

Crazy, man – crazy

ONE MUST be so careful these days. Ask directions of a New Age traveller and you might find yourself addressing, instead, a Smellie, a Soap Dodger or a self-styled Cider Punk. Thanks to Tony Thorne's kaleidoscopic new guide to the pseuds' corners and sub-cultures of modern Britain, New Men, New Romantics and New Georgians can sit down and discover how new they really are.

For *Fads, Fashions and Cults* is no ordinary dictionary. Its world is a post-modernist one in which nothing has meaning but everything, from Cocteau to cocktail sticks, can have significance. Cross-referencing frantically, Thorne lays bare the song-lines of 20th century living. Like generational lists from the Old Testament, he says a disco craze like Talking begat Toasting which begat Dub which begat Rap. Hip Hop begat Body Pop which, in turn, begat Rave.

Not everything is as crystal-clear as that, of course. Did Punks or the Crusties ("Crusties practise a militant self-degradation involving drink and drug abuse, personal filthiness and public obnoxiousness") beget Grunge? Then

FADS, FASHIONS AND CULTS
by Tony Thorne
Bloomsbury £20, 310 pages

again, which dissident hair-style came first: the Duck's Arse or the Argentine Ducktail? Replies on a postcard to the author, who says he wants his readers to answer back.

Some lines of enquiry lead nowhere. Trepanning, or drilling a hole in the skull to release higher levels of consciousness, seems to have begat only publicity for Dr Bart Hughers, a Dutch mystic who tried it in 1962.

Forest Therapy begat Tree Sniffing but little else. True, contemplating a tree at close quarters while inhaling the resinous fumes given off by its bark and leaves might, as our author speculates doggedly, have something to do with the "outdoor Shamanistic rituals of the Men's Movement." But by the time he has thrown in the Combat Games cult to boot, the reader has got his song-lines well and truly knotted.

Like the four rivers leading away from Paradise, if there are four grand-daddy cult fads and fashions which spawned the rest, then Hip Hop, the Beats, Existentialism and the hula hoop appear to have a lot to answer for. Indeed, we learn that the hula hoop looks forward to aerobics and back to the Maori war dance.

"Only connect," E.M. Forster once suggested as a means of comprehending modern society. Reading this self-styled "definitive" guide to modern culture, he might rather have wished he hadn't.

Mark Archer

TELEVISION

SATURDAY

BBC1

7.00 Ceefax Pages. 7.25 News. 7.30 Penny Crayon. 7.40 Wiz Bang. 7.55 Litt' Bits. 8.15 Eggs 'n' Baker. 8.40 Tom and Jerry: Greatest Hits. 9.00 Going Live! The final episode of the slick, well-intentioned and dull children's magazine.

12.12 Weather.
12.15 Grandstand. Introduced by Steve Rider. Including at 12.20 Football: A review of the Easter soccer action. 12.50 London Marathon Preview. 1.00 News. 1.05 Snooker: World Championship. The first of 17 days' action from The Crucible, Sheffield. 1.55 Racing from Newbury: The 2.00 PCL Burghclere Conditions Stakes. 2.05 Gymnastics: World Championships from Birmingham. The men's floor final. 2.25 Racing: The 2.30 Lanes End John Porter EBF Stakes. 2.35 Gymnastics. 2.55 Racing: The 3.00 Singer and Friedlander Greenham Stakes. 3.05 Gymnastics: Continued coverage. 3.25 Racing: The 3.30 Ladbrokes Spring Handicap. 3.35 Snooker. 3.55 Gymnastics. 4.25 Snooker. 4.40 Final Score.
5.15 News.
5.25 Regional News and Sport.
5.30 Cartoon.
5.40 Jim'll Fix It.
6.15 You Rang, M'Lord? Lord Meldrum pays the price for his philandering ways when the jealous Sir Ralph puts a curse on him. Can Stokes come to the rescue?
7.05 Film: Wings of the Apache. Premiere. Nicolas Cage stars as an ace helicopter pilot training a group of raw recruits to combat drug barons in Latin America. (1990).
8.25 Birds of a Feather. Tracey is shocked when Sharon starts going out with a man old enough to be her father. Pauline Quirke and Linda Robson star.
8.55 News and Sport; Weather.
9.15 Westbeach. Alan Cromer and Sarah Preston have different ideas about developing the site of a bankrupt holiday camp. Hannah is delighted when Simon returns from university.
10.05 Wogan Meets Billy Crystal. An interview with the Hollywood actor and comedian.
10.40 Match of the Day. Highlights from two FA Premier League games.
11.40 Film: The City of the Dead. A Massachusetts town is haunted by the vengeful spirit of a woman burnt at the stake as a witch. Starts slowly but the horror builds. Starring Christopher Lee (1960).
12.55 Weather.
1.00 Close.

BBC2

6.40 Open University.

3.00 Film: Pat and Mike. Light-weight comedy vehicle for two its heavy-weight stars: Katharine Hepburn as a golf professional and Spencer Tracey as a sports promoter with guest appearances from a string of forgotten sports celebrities. (1952).

4.30 Snooker: World Championship. Stephen Hendry v Danny Fowler; Jimmy White v Joe Swail. Live coverage from The Crucible, Sheffield, as last year's finalists, Hendry and White, begin their campaigns.

6.50 News and Sport; Weather.

7.05 Late Again. Highlights from last week's editions of The Late Show.

7.35 Snooker: World Championship. Hendry v Fowler; Willie Thorne v Shaun Mellish. David Vine introduces further coverage from The Crucible, Sheffield, and gives viewers a chance to enter a daily phone-in competition.

8.25 Have I Got News for You. Repeat of Friday's first episode of the new series of the award-winning quiz. Ian Hislop and Paul Merton and guests Jonathan Ross and Peter Cook test the libel laws and the boundaries of good taste.

8.55 Arena. The first of four programmes telling the stories behind famous pop songs. Peggy Sue Gerron Rackham was a schoolmate of Buddy Holly inb Lubbock, Texas, and the subject of his song Peggy Sue and, when she married his drummer Jerry Allison, its follow-up, Peggy Sue Got Married. She now runs a drainage company in California. As a bonus there is her childhood neighbour Donna Fox, inspiration of Richie Valens' hit Donna.

9.25 *The Second Heimat: A New Generation.* New series. Edgar Reitz's follows his epic drama, Heimat with another series of 13 90-minute films on life in Germany. Beginning in the 1960s, it follows Maria Simon's son, Hermann, as he leaves the village of Schabbach for university in Munich, dreaming of success as a composer. Henry Arnold stars.(English subtitles).

11.20 Snooker: World Championship. Highlights from today's matches at The Crucible, Sheffield.

1.30 Close.

LWT

6.00 GMTV. 9.25 What's Up Doc? 11.30 The ITV Chart Show. 12.30 pm Speakeasy.

1.00 ITN News; Weather.
1.05 *London Today; Weather.*
1.10 European Champions' League Special. The ITV sports department has been stricken with preview-mania. A look ahead to Rangers v CSKA Moscow, a profile of AC Milan, and news on tomorrow's Coca Cola Cup final between Arsenal and Sheffield Wednesday.
1.40 Rugby World Cup Sevens. An orgy of qualifying matches as the minnows – Latvia, South Korea, Wales – try to pull off early an upset. Live coverage from Murrayfield and highlights of the matches played on Friday.
4.40 ITN News and Sport; Weather.
5.00 London Tonight and Sport; Weather.
5.10 Cartoon Time.
5.20 Film: Diamonds Are Forever. Sean Connery returned briefly to add zest to the well-tried formula. (1971).
7.30 You've Been Framed! Another compilation of embarrassing home videos.
8.00 The Bill. The Sun Hill coppers continue their on-the-beat investigations in a new Saturday-night slot.
8.30 London's Burning. Re-run of the firefighting drama series. The arrival of a new senior officer threatens to disrupt camaraderie at Blue Watch. On a personal front, Josie anxiously waits to hear news about her promotion, and Vaseline faces the problems of fatherhood.
9.30 Film: Blind Witness. Routine TV thriller starring Victoria Principal as a blind woman who vows revenge on the men who broke into her home and murdered her husband (1989).
11.10 ITN News; Weather.
11.25 London Weather.
11.30 The Big Fight. John Davison v Ruben Palacio for the WBO featherweight title. Gary Newbon presents coverage from Washington in Tyne-and-Wear. Commentary by Reg Gutteridge.
12.15 Rugby World Cup Sevens.
1.15 The Big E.
2.15 Get Stuffed; ITN News Headlines.
2.20 Basketball.
3.20 Get Stuffed; ITN News Headlines.
3.25 New Music.
4.25 BPM.; Night Shift.

CHANNEL4

6.00 Early Morning. 10.00 Trans World Sport. 11.00 Gazzetta Football Italia including the thoughts of Gazza. 12.00 Sign On: Your Views. 12.30 pm Raag Rung.

1.00 Film: Lady Godiva Rides Again. Pauline Stroud plays a naive girl chosen to portray Lady Godiva in a town pageant. A disappointing English comedy in spite of the strong cast. *With Dennis Price and* Alastair Sim (1951).

2.45 Racing from Ayr. Coverage of the 2.55 Albert Bartlett and Sons Future Champions Novices Hurdle, 3.25 Edinburgh Woollen Mill's Future Champions Novices Chase, 4.05 Stakis Scottish National (H'cap chase), 4.40 Harcros Scottish Juvenile Series Championship Final (H'cap hurdle).

5.05 Brookside.; News.

6.30 Right to Reply. Viewers' reports and ideas about television.

7.00 Corner of the Eye. Belfast poet *Michael Longley talks about* Carrigskeewaun, a remote corner of western County Mayo, which provides much of the inspiration for his work. This documentary contrasts his two different worlds and explores the use of natural imagery.

8.00 Adventures. Preston King, professor of politics at Lancaster University, travels to Guyana to track down the "pork-knockers", or legendary gold and diamond prospectors of the jungle. He meets Uncle Joe, known as the diamond king, and sets off to find treasure hunters Richard and Curran in the outback.

9.00 The Beiderbecke Affair. While Jill's political campaign gathers momentum, Trevor finds the records he's been looking for. But who is the mysterious supergrass? Previously shown on ITV.

10.00 Film: Hidden Agenda. Rescheduled screening of Ken Loach's well-made and provocative political thriller about an English CID inspector who goes to Northern Ireland to investigate the murder of an American lawyer and unearths a conspiracy, slowly. Stars Brian Cox and Brad Dourif. (1990).

12.00 Talking Pictures.

12.35 Evening Shade.

1.05 The Harp in the South.

2.00 Close.

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

ANGLIA:
12.30 Movies, Movies, Movies. 1.05 Anglia News. 5.00 Anglia News and Sport

BORDER:
12.30 Movies, Movies, Movies. 1.05 Border News. 5.00 Border News and Weather 5.05 Sports Results.

CENTRAL:
12.30 Movies, Movies, Movies. 1.05 Central News 5.00 Central News 5.05 The Central Match - Goals Extra.

CHANNEL:
12.30 Movies, Movies, Movies. 1.05 Channel Diary. 5.00 Channel News. 5.05 Puffin's Pla(i)ce.

GRAMPIAN:
12.30 Speaking Our Language. 1.05 Grampian Headlines 5.00 Grampian Headlines 5.05 Grampian *News Review. 11.25 Grampian Weather.*

GRANADA:
12.30 Movies, Movies, Movies. 1.05 Granada News 5.00 Granada News

HTV:
12.30 Movies. Movies. Movies. 1.05 HTV News. 5.00 HTV News and Sport 11.25 HTV Weather.

HTV Wales as HTV except:
No variations.

MERIDIAN:
12.30 Movies, Movies, Movies. 1.05 Meridian News. 5.00 Meridian News. 5.05 Saturday Sport.

SCOTTISH:
12.30 Speaking Our Language. 1.05 Scotland Today. 5.00 Scotsport Results. 5.15 Scotland Today 11.25 Scottish Weather.

TYNE TEES:
12.30 Movies, Movies, Movies. 1.05 Tyne Tees *News. 5.00* Tyne Tees *Saturday. 5.10 Mr Magoo.*

ULSTER:
12.30 Movies, Movies, Movies. 1.05 UTV Live Lunchtime News 1.08 Saturday Sport. 5.00 UTV Live Early Evening News 5.05 Saturday Sport. *11.25 UTV Live Headlines*

WESTCOUNTRY:
12.30 Movies, Movies, Movies. 1.05 Westcountry Weekend Latest. 5.00 Westcountry Weekend Latest.

YORKSHIRE:
12.30 Movies, Movies, Movies. 1.05 Calendar News. 5.00 Calendar News. 5.10 Mr Magoo.

S4C Wales as Channel 4 except:-
7.00 Early Morning. 12.00 Sign On: Newswatch. 12.30 The Wonder Years. 6.30 Magic Roundabout. 6.35 Now You're Talking. 7.00 Newyddion Nos Sadwrn. 7.20 Traed Oer. 7.50 Yn Dy Ddwble. 8.20 Tocyn Tymor. 9.30 Europe Express.

SUNDAY

BBC1

7.00 Ceefax Pages. 7.30 Opposites Attract. 7.40 Charlie Chalk. 7.55 Playdays. 8.15 Breakfast with Frost. 8.50 The London Marathon.

11.50 Scarborough Fayre. Pam Rhodes visits an Easter conference.
12.35 The London Marathon. Continued coverage.
1.30 News.
1.33 The Flintstones. Cartoon capers.
2.00 EastEnders.
3.00 Film: Heroes of Telemark. Resistance fighters in 1942 Norway plan a dangerous mission to destroy a water plant vital to the Nazis' nuclear weapons programme. Enjoyable wartime thriller, starring Kirk Douglas, Richard Harris, Ulla Jacobsson and Roy Dotrice (1965).
5.05 Clothes Show Classics. Highlights from past shows, including a report from the Black Country on broderie anglaise.
5.35 Masterchef. Radio broadcaster Ned Sherrin joins host Loyd Grossman *and chef Hilary Brown.*
6.10 News.
6.25 Praise Be! Thora Hird joins the endless procession of media pilgrims to TV presenter Paul Heiney's Suffolk farm, where he works the land using traditional methods. Requested hymns from previous shows include Praise to the Lord the Almighty, There is a Green Hill Far Away, and How Great Thou Art.
7.00 *Last of the Summer Wine.* Jealousy rears its ugly head for Compo when Nora Batty takes in a new lodger. Can Foggy come up with way to help his heartbroken friend?
7.30 The Alleyn Mysteries. Sunday night on BBC1, a weekend country house party in 1948 and, of course, a murder. Ngaio Marsh's Inspector Alleyn follows Mrs Marple and Albert Campion in the BBC's period murder slot. But at 98 *minutes* an episode it overlaps on Inspector Maigret on ITV. The real question is whether Alleyn can strike the right tone at once – something which defeated the first series of Campion, Maigret and ITV's Poirot.
9.10 A Year in Provence. A long year.
9.40 News and Weather.
9.55 Mastermind.
10.25 Everyman. The three-month ordeal faced by a group of aeroplane-crash survivors who ate the flesh of their dead companions.
11.15 Shakespeare: The Animated Tales. Romeo and Juliet.
11.40 Cats. Roger Tabor examines the *cat's skills as a hunter.*
12.10 Weather.
12.15 Close.

BBC2

6.15 Open University. 9.10 Thundercats. 9.30 Jonny Briggs. 9.45 The Movie Game. 10.10 Rugrats. 10.35 Grange Hill. 11.00 Blue Peter. 11.25 *The All New Popeye Show. 11.50 The O Zone.* 12.00 Around Westminster. 12.30 pm CountryFile. 12.58 Weather for the Week Ahead.

1.00 Grandstand. Introduced by Helen Rollason. Including 1.05 Snooker: World Championship from The Crucible, Sheffield. John Parrott, the champion in 1991, against Stephen O'Connor. Other action comes from the conclusion of the Jimmy White v Joe Swail match. 1.35 Gymnastics: The final day of the World Championships from Birmingham with the women's floor exercise and the men's vault, parallel bars and high bar. 2.25 Snooker. 2.40 Gymnastics. 3.35 Snooker. 3.55 Gymnastics. 4.55 Snooker. Times may vary.

5.10 Rugby Special. Lancashire v Yorkshire in the ADT County Championship final, plus other news.

6.10 The Natural World. A look at the controversy surrounding forest fires in the US - are they ecological disasters, or an integral part of the natural order?

7.00 The London Marathon. Highlights from today's race.

7.40 The Nineties. Six of the country's oldest citizens recall marriage at the turn of the century - a time when many women wed *virtual strangers* to escape the constraints of family life.

8.20 Every Picture Tells A Story. An examination of The Opening of the *Belomor Canal, an epic canvas* by Russian artist Dmitri Arkadievich Nalbandyan.

9.00 Arena Special. A profile of South African singer Brenda Fassie. Street-*wise, provocative* and extreme, she sees herself as the 'Black Madonna' who embodies her country's confusion.

10.15 Film: *Peggy Sue Got Married.* A fortysomething woman (Kathleen Turner) attends a high-school reunion where she faints and re-awakes in 1960, giving her the chance to re-live her teenage years. Francis Ford Coppola re-established *himself as a director who could* make money with this safe, sure-footed, enjoyable comedy. with Nicolas Cage, Maureen O'Sullivan and Barry Miller (1986).

11.55 Snooker: World Championship.

1.30 Close.

LWT

6.00 GMTV. 8.55 Disney Club. 10.45 Link. 11.00 Morning Worship. 12.00 This Sunday. 12.30 pm Crosstalk; London Weather.

1.00 ITN News; Weather.
1.10 The Coca Cola Cup Final Preview. A good afternoon for sports fans, and a bad one for everyone else, opens with a preview of this afternoon's match between Arsenal and Sheffield Wednesday, itself a dress rehearsal for the FA Cup Final in May. Plus, a round-up of the weekend's First Division matches.
1.40 *Rugby World Cup Sevens. Live* coverage of the semi-finals and final from Murrayfield, almost certainly a showcase for the dazzling talents of the Fijians, western Samoans or Samoans in New Zealand shirts.
4.35 ITN News; Weather.
4.40 London Tonight; Weather.
4.45 The Coca Cola Cup Final. Arsenal v Sheffield Wednesday live from Wembley. The Littlewoods-Rumbe-*lows-Milk-League Cup* does as its TV paymaster bids and shoves its kick-off back two hours to accommodate the rugby. The TV audience is more important than the poor Wednesday fans who have to travel back to Yorkshire afterwards.
7.00 Beadle's About.
7.45 Heartbeat. Light-hearted drama, starring Nick Berry as the city policeman pounding the in the York-*shire Dales. An unusual robbery* prompts the young officer to investigate several local people.
8.45 Maigret. Maigret investigates the murder of a wealthy 60-year-old. A young woman is the key suspect, but Maigret believes there is more to the matter than meets the eye. Michael Gambon stars in the last programme in the series.
9.45 Aspel and Company. Aspel is *joined by Mary Tyler Moore,* Sting and comedian Brian Conley.
10.30 ITN News; Weather
10.45 *London Weather.*
10.50 Celebration. A profile of Californian conductor Kent Nagano, whose recent appointment as director of ailing Manchester's Halle Orchestra was applauded by many music critics, during his first months in office.
11.50 Encounter. Gay priests discuss their experiences of working in the Church of England.
12.20 Rugby World Cup Sevens.
1.20 Cue the Music.
2.20 Get Stuffed.; ITN News Headlines.
2.25 TXT.
3.25 *Get Stuffed.*
3.30 Snooker.

CHANNEL4

6.00 Early Morning. 9.30 Dennis. 9.45 Flipper. 10.15 The Lone Ranger. 10.45 Land of the Giants. 11.45 Little House on the Prairie.

12.45 Film: Jesse James. Lively, sentimental western about legendary Missouri outlaw Jesse James (Tyrone Power) and his brother Frank (Henry Fonda). With Nancy Kelly, Randolph Scott and John Carradine (1939).
2.45 Gazzetta Football Italia. Lazio v Roma, Milan v Juventus. Commentary by Peter Brackley.
5.00 *The Wreck of the Julie Plante.* Animated musical poem about a shipwreck.
5.10 News.
5.15 High Interest: The Unravelling of Benetton. The last programme in the series reports on the Italian-owned company Benetton, one of the most successful fashion houses in Europe, and its strategy of controversial advertising campaigns and aggressive expansion *into the Third* World. Can it continue to thrive in the coming years?
6.00 Moviewatch. Reviews of Sommersby, starring Richard Gere and Jodie Foster, and Mr Saturday Night, with Billy Crystal.
6.30 The Wonder Years.
7.00 Fragile Earth. The environmental impact of war in Mozambique, and the desolation caused by South *Africa's policy of exchanging weap*ons for ivory, which has led to the killing of 50,000 elephants and more than 240,000 sq acres of forest.
8.00 Movin' On. Behind-the-scenes look at the making of Paul McCartney's latest album, Off the Ground. The film concentrates on the album's music with clips of rehearsals in the Abbey Road studios.
9.00 Film: Nuns on the Run. *First showing for a likable comedy starring* Eric Idle and Robbie Coltrane as two small-time crooks forced to hide out *in a convent to avoid capture* by the police, the mob and the Triads. With Janet Suzman (1990).
10.45 Red Empire. Seven-part series tracing the history of the former USSR, from the days of the Tsars, through the regimes of Lenin, Stalin and Kruschev, to the arrival of Mik-*hail Gorbachev*. Presented by writer Dr Robert Conquest and narrated by Sian Phillips.
11.45 Allah Tantou. A political prisoner (Yarof Achkar) dreams about his situation and the characters that led to *his imprisonment.*
12.50 Close.

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

ANGLIA:
12.30 Shoot the Video. 12.55 Anglia News. 4.40 Anglia News. 10.45 Regional Weather.

BORDER:
12.30 Gardeners' Diary. 12.55 Border News. 4.40 Border News.

CENTRAL:
12.30 Central Newsweek. 12.55 Central News 4.40 Central News

CHANNEL:
12.30 *Reflections.* 12.35 Rendez-vous Dimanche. 12.50 Telejornal. 4.40 Channel News.

GRAMPIAN:
10.45 Small Talk. 11.00 The Sunday Service. 11.45 Link. 12.30 Gardeners' Diary. 12.55 Grampian Headlines. 4.40 Grampian Headlines 10.45 Grampian Weather.

GRANADA:
12.25 Chalte, Chalte. 12.50 Granada News 3.05 Coronation Street. 4.00 Rugby World Cup Sevens. 4.40 Granada News

HTV:
12.25 HTV News. 12.30 HTV Newsweek. 4.40 HTV News. 10.45 HTV Weather.

HTV Wales as HTV except:
12.30 Soccer Sunday. 10.45 HTV News.

MERIDIAN:
12.30 Meridian This Week. 12.50 Meridian News. 4.40 Meridian News.

SCOTTISH:
10.45 Wemyss Bay 902101. 11.30 Link. 11.45 Sunday Service. 12.30 Encounter. 12.55 Scotland Today. 1.10 Scottish Questions. 1.40 Scotsport Special. 4.40 Scotland Today. 4.45 Scotsport Special. 10.45 Scottish Weather. 11.50 This Sunday.

TYNE TEES:
12.25 The Back Page. 12.50 Tyne Tees News. 4.40 Tyne Tees News. 10.45 Local Weather.

ULSTER:
No variations.

WESTCOUNTRY:
12.30 West Wise. 12.55 Westcountry Weekend Latest. 4.40 Westcountry Weekend Latest.

YORKSHIRE:
12.25 The Littlest Hobo. 12.50 Calendar News. 4.40 Calendar News. 10.45 Local Weather.

S4C Wales as Channel 4 except:-
7.05 Early Morning. 9.00 Jeifin. 10.15 The Lone Ranger. 12.45 Siarad Plaen. 1.10 Magic Roundabout. 1.15 Earle Indiana. 1.45 Fragile Earth. 5.00 Dechrau Canu, Dechrau Canmol. 5.30 Pobol y Cwm. 7.15 Stell. 7.55 Hel Straeon. 8.25 Llygad am Lygad. 9.10 Newyddion. 9.15 Saith Diwrnod Ar Y Sul. 9.30 Smwcer. 10.00 The Chain. (1984) 11.45 ENG.

RADIO

SATURDAY

BBC RADIO 2

6.00 Barbara Sturgeon. 8.05 Brian Matthew. 10.00 Anne Robinson.

12.00 Hayes on Saturday. 1.30 The News Huddlines.

2.00 Chris Stuart. 3.00 Steve Race.

4.00 Eve Pollard.

5.00 Cinema 2. 5.30 Nick Barraclough's New Country.

6.00 Vince Hill's *Solid Gold* Music Show.

7.00 As Time Goes By. 7.30 Barry Manilow in Concert. 9.30 David Jacobs.

10.00 The Arts Programme. 12.05 Chris Stuart.

1.00 John Terrett. 4.00 Barbara Sturgeon.

BBC RADIO 3

6.35 Culture and Belief in Europe: Giorgi. 6.55 Weather. 7.00 Record Review. Bach, J Strauss (son), Brahms orch Berio, Prokofiev, Schubert, Rodrigo, Chopin, Britten, Beethoven.

1.00 News. 1.05 Schubert's Piano Sonatas.

3.00 Leonard Bernstein. New series. *Brahms*, Haydn, Mozart, Schumann.

5.00 Live from the Met. Gotterdammerung. The final opera in Wagner's epic Ring Cycle.

10.50 Third Opinion. Critics discuss a radio dramatisation of Edith Wharton's The Age of *Innocence.*

11.35 Impressions. George Haslam of Slam records talks to Brian Morton.

12.30 News. 12.35 Russian Orthodox Easter Vigil. From All Saints Russian Orthodox Church in Ennismore Gardens, London. 3.30 Close.

BBC RADIO 4

6.00 News.

6.10 The Farming Week. Rural issues.

6.50 Prayer for the Day.

7.00 Today.

9.00 News.

9.05 Sport on 4. Presented by Cliff Morgan.

9.30 Breakaway.

10.00 Loose Ends.

11.00 The Week in Westminster.

11.30 Europhile.

12.00 Money Box.

12.25 The News Quiz.

1.00 News.

1.10 Any Questions?

2.00 Any Answers? 071-580 4444.

2.30 Playhouse. The Active Citizen, by Michael Duke.

3.45 Stephen Pile Investigates. The Henley Centre for Forecasting, which predicts the future with remarkable accuracy.

4.00 Ice Cream to Eskimos. *Marcus* Leigh investigates the world of advertising.

4.30 Science Now.

5.00 The Living World.

5.25 Tea Junction.

6.00 News.

6.25 Week Ending.

6.50 Ad Lib.

7.20 Kaleidoscope. Is ballet a dying art?

7.50 Saturday Night Theatre. Meeting Bea, by Eric Pringle.

9.20 Music in Mind.

9.50 Ten to Ten.

10.00 News.

10.15 Trivia Test Match.

10.45 *Rich Pickings.* Poetry and prose.

11.00 Richard Baker Compares Notes.

11.30 Dracula.

12.00 News.

12.33 Shipping Forecast.

12.43 Close.

BBC RADIO 5

6.00 World Service.

6.30 Mark Curry's Weekend Edition.

9.30 Get Set.

10.30 Hopalong Cassidy.

11.00 Go!

12.00 Sport on Five.

5.00 Sports Report.

6.05 Six-O-Six.

7.30 Afropop Worldwide.

8.30 Le Top.

9.30 Nightbeat.

10.00 Sports Bulletin.

10.15 The Way Out.

12.00 Close.

WORLD *SERVICE*

BBC for Europe can be received in western Europe *on medium wave 648 kHZ* (463m) at these times GMT: 6.00 News. 6.30 Europe Today. 7.00 News; News About Britain; The World Today. 7.30 Meridian. 8.00 Newsdesk. 8.30 People and Politics. 9.00 News; Words of Faith; A Jolly Good Show. 10.00 News; Business Report; Worldbrief. 10.30 Personal View. 10.45 Sports Round-up. 11.00 News; Printer's Devil; Letter From America. *11.30* BBC English. 11.45 Mittagsmagazin: News in German. 12.00 Newsdesk. 12.30 Meridian. 1.00 News; Words of Faith; Multitrack 3. 1.45 Sports Round-up. 2.00 *Newshour.* 3.00 News; Sportsworld. 4.00 News; BBC English. 4.30 Heute Aktuell: News in German. 5.00 News; News About Britain; Sportsworld. 6.00 BBC English. *6.30 Heute Aktuell:* News in German. 7.05 German Features. 8.00 News Summary; Breakfast Of Champions. 8.15 The Making Of The Middle East. 8.45 From The Weeklies. *9.00 News; Words of Faith;* Personal View. 9.30 Meridian. 10.00 Newshour. 11.00 News; News About Britain; Jazz For The Asking. 11.45 Sports 12.00 News; Words of Faith; Book Choice; *A Jolly Good Show.* 1.00 Newsdesk. 1.30 Play of the Week: Man of the Moment. 3.00 Newsdesk. 3.30 Indians Abroad. 4.00 News; News About Britain. 4.15 Sports 4.30 *BBC English.* 4.45 News and Press Review in German.

SUNDAY

BBC RADIO 2

7.00 Don *Maclean.* 9.05 *John* Sachs. 10.30 Hayes on Sunday. 12.00 Desmond Carrington. 2.00 Benny Green. 3.00 Alan Dell. 4.00 Gems of Operetta. 4.30 Sing Something Simple. 5.00 Charlie Chester. 7.00 Richard Baker. 8.30 Sunday Half Hour. 9.00 Alan Keith. 10.00 The Arts Programme. 12.05 John Terrett. 3.00 Alex Lester.

BBC RADIO 3

6.35 Open University: Assignment 103. 6.55 Weather. 7.00 Sunday Morning Concert. 9.00 News. 9.05 Brian Kay's Sunday Morning. 12.00 Spirit of the Age. 1.00 News. 1.05 Table Talk. 1.20 From the Proms 1992. 3.10 Tokyo Quartet. 4.50 The Cann Twins. Saint-Saens, Brahms, Debussy, Gershwin arr Grainger. 5.45 Gabriel Faure. 6.40 Tasti Spezzati. Christopher Stembridge plays pieces by Frescobaldi and Neapolitan composers. 7.30 Sunday Play. *Richard Sheridan's comedy,* School for Scandal. 9.50 Chamber Orchestra of Europe. Brahms arr Fischer, Bartok, Mozart arr Fischer, Haydn. 11.20 Music in Our Time. Anthony Powers, John Hopkins, William Mival. 12.30 News. 12.35 Close.

BBC RADIO 4

6.00 News.

6.10 Prelude.

6.30 Morning Has Broken.

7.00 News.

7.10 Sunday Papers.

7.15 The Living World.

7.40 Sunday.

8.50 Maggie Philbin.

9.00 News.

9.10 Sunday Papers.

9.15 Letter from America.

9.30 Morning Service.

10.15 The Archers.

11.15 News Stand.

11.30 Pick of the Week.

12.15 Desert Island Discs.

1.00 The World This Weekend.

2.00 Gardeners' Question Time.

2.30 Classic Serial.

3.30 Trumpets and Foie Gras.

4.00 The Thin Blue Line. James Naughtie visits the United Nations to discover the story of the biggest revolution in its *history.*

4.47 Treasure Islands. Reviews of new books for children under four.

5.00 A Journal of a Tour to the Hebrides.

5.30 Poetry Please.

6.00 The Six O'Clock News.

6.15 The Village. Nigel Farrell visits Bentley in Hampshire.

6.30 Europhile.

7.00 In Business.

7.30 Bookshelf.

8.00 Punters.

8.30 Reading Aloud. The Marsh Arabs, by Wilfred Thesiger.

9.00 The Natural History Programme.

9.30 Special Assignment.

10.00 News.

10.15 Farewell, Fleet Street. The inside story of the newspaper industry.

11.00 The Chef's Room. Strained tempers and simmering emotions in the kitchen of a Soho restaurant.

11.30 Seeds of Faith. To mark the Orthodox Easter, Bernard Jackson travels to Mount Athos, the spiritual centre of the Orthodox Church.

12.00 News.

12.33 Shipping Forecast.

12.43 Close.

BBC RADIO 5

6.00 World Service.

6.30 Mark Curry's Weekend Edition.

9.30 Goldfish The Movie.

10.00 Rugby World Cup Sevens.

1.00 Sunday Sport.

7.20 Open University.

10.10 Across the Line.

12.00 Close.

WORLD SERVICE

BBC for Europe can be received in western Europe on medium wave 648 kHZ (463m) at these times GMT: 6.00 Newshour. 7.00 News; News About Britain; Printer's Devil. 7.30 Jazz For The Asking. 8.00 Newsdesk. 8.30 From Our Own Correspondent. 9.00 *News;* Words of Faith; Classics With Kay. 10.00 News; Business Review. 10.15 Short Story: No Time To Die. 10.30 Folk Routes. 10.45 Sports Round-up. 11.00 News Summary; Science in Action. 11.30 BBC English. 11.45 *News and Press Review* in German. 12.00 Newsdesk. 12.30 Play of the Week: Man Of The Moment. 2.00 Newshour. 3.00 News Summary; Heritage. 3.30 *Anything Goes. 4.00 News;* BBC English. 4.30 News And Features In German. 5.00 News; News About Britain; Indians Abroad. 5.45 Letter From America. 6.00 BBC *English. 6.30 News And* Features in German. 8.00 In The Steps Of Rachmaninoff. 8.30 Europe Tonight. 9.00 News; Words of Faith; Folk Routes. 9.30 Ned Sherrin's *Counterpoint. 10.00 Newshour.* 11.00 News; News About Britain. 11.15 Short Story: No Time To Die. 11.30 Letter From America. 11.45 Sports Round-up. 12.00 News; Business Review; Classics With Kay. 1.00 Newsdesk. 1.30 In Praise Of God. 2.00 News Summary; Breakfast Of Champions. 2.15 The Making Of The Middle East. 2.45 World Bandstand. 3.00 Newsdesk. 3.30 Composer Of The Month: Kurt Weill. 4.00 News; News About Britain. 4.15 Sports Round-up. 4.30 BBC English. 4.45 News And Press Review in German.

CHESS

MICHAEL ADAMS, the UK No 2 and the youngest British grandmaster at age 21, began his campaign for the 1995 world title this week when he won the British Isles zonal at Jurys Hotel, Dublin, with an unbeaten 9/11. Adams was half a point ahead of the experienced Jon Speelman who also qualified for the Biel interzonal in July.

Adams almost qualified from the 1990 interzonal to the candidates matches, and his mature style and calm temperament now promises a more serious attempt at the world crown, whether it be Fide's official championship or Kasparov's breakaway version.

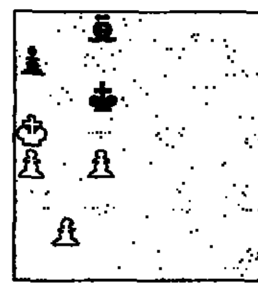
Dublin pioneered a new concept by opening up the zonal and thus the route to the chess top, to all-comers. Teenagers *did* well, *including* this brilliancy by a 17-year-old against the UK's first grandmaster (D Kumaran, White; A Miles, Black; Dublin *1993*).

1 d4 Nc6 2 Nf3 d5 3 g3 Bg4 4 Bg2 Qd7? Preparing risky Q-side castling. Safer is e6. **5 c4 e6 6 0-0 0-0-0 7 Nc3 dxc4 8 Qa4 Bb4? 9 Ne5!** Already the decisive attack.

Nxe5 10 Qxa7 c6 If Nc6 11 Qa8+ Nb8 12 Qxb7 mate. **11 Bf4! Bd6** Neither Qc7 12 Na4 nor Bxc3 12 Bxe5 saves Black, while if Qxd4 12 Qxd4 Rxd4 13 Bxe5 and 14 Bxg7.

12 Qa8+ Kc7 13 Nb5+! Kb6 14 Qa7+ Kxb5 15 a4+ Resigns If Kb4 16 Qb6 mate.

No 970



King and three pawns against king, bishop and pawn is a tricky ending. Should White(to move) continue (a) 1 Kb4 (b) 1 b3 or (c) 1 b4, and *what happens if he makes the* wrong choice?

Solution Page XIX

Leonard Barden

BRIDGE

A NEW book *BRIDGE Quiz for Improving Players*, by Hugh Kelsey and Tim Bourke, published by Gollancz for £10.99, contains many instructive hands. Here is All in the Timing:

N
♠ A K 4 3
♥ 9
♦ A 8 6 2
♣ A 10 9 8

W
♠ 10 6
♥ K J 6 3
♦ Q J 10 9
♣ Q J 6

E
♠ J 9 5
♥ Q 10 8 5 4
♦ 4
♣ 7 5 4 2

S
♠ Q 8 7 2
♥ A 7 2
♦ K 7 5 3
♣ K 3

South deals at a love score and bids one no-trump. North says two clubs, South rebids two spades. North bids four hearts. This splinter bid promises spade support. South shows his control with five hearts. North jumps to six spades ending the auction.

West opens with the diamond queen. What line of play do you suggest? Dummy has excellent controls. If spades and diamonds break evenly, there can be no problem – but can you overcome a 4-1 break in either suit?

East is more likely to hold a singleton diamond, so take West's queen with dummy's ace and test spades by cashing ace and king. If both defenders follow twice, cross to your heart ace, ruff a heart, then lead a diamond to your king. If East discards, the king wins, you ruff another heart and cross to your club king.

Cash queen of spades. West has knave and ten of diamonds plus queen and knave of clubs; dummy has ace, ten of clubs and two diamonds; and while you hold spade eight, club three and two diamonds. Here, the spade eight applies the pressure. If West throws a diamond, you discard dummy's ten of clubs, concede one diamond to West and claim; if West lets go a club, you discard a diamond from the table and score two clubs.

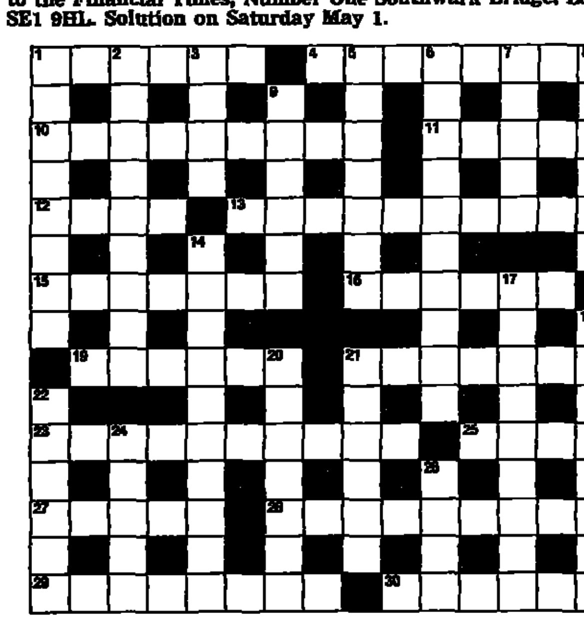
You have operated a strip squeeze. Should East ruff the second diamond, you are faced with a simple positional squeeze against West.

E.P.C. Cotter

CROSSWORD

No. 8,128 Set by ADAMANT

A prize of a classic Pelikan Souverän 800 fountain pen, inscribed with the winner's name for the first correct solution opened and five runner-up prizes of £35 Pelikan vouchers. Solutions by Wednesday April 28, marked Crossword 8.128 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday May 1.



Name

Address

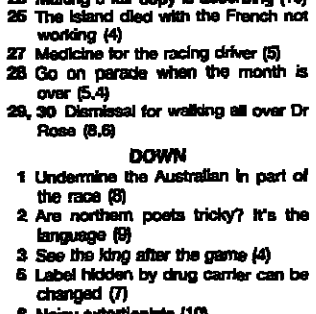
ACROSS

1, 4 Takes a piece by Sousa - no comeback - so gains the advantage (6,1,5,2)
10 Doubt quiet cry would change what the process threw up (10)
11 Copper holding out for a Mediterranean posting? (5)
12 Go for revolution (4)
13 Blare away in military music at London landmark (6,4)
15 Beginning with characteristic relative (7)
16 The editors' grasp of men makes things better (6)
19, 21 *Eccentric Master of Ceremonies* searched for relentless advances (6,7)
23 Making a fair copy is absorbing (10)
25 The island died with the French not working (4)
27 Medicine for the racing driver (5)
28 Go on parade when the month is over (5,4)
29, 30 Dismissal for walking all over Dr Rose (8,6)
21 Prayer for some human tragedy (6)
22 Rubbish coming ashore from planes in the early hours (6)
24 German holding on to doomed man (5)
26 Vehicle's hot interior can cause burning (4)

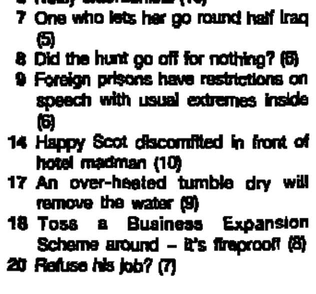
DOWN

1 Undermine the Australian in part of the race (8)
2 Are northern poets tricky? It's the language (9)
3 See the king after the game (4)
5 Label hidden by drug carrier can be changed (7)
6 Noisy extortionists (10)
7 One who lets her go round half Iraq (5)
8 Did the hunt go off for nothing? (6)
9 Foreign prisons have restrictions on speech with usual extremes inside (6)
14 Happy Scot discomfited in front of hotel madman (10)
17 An over-heated tumble dry will remove the water (9)
18 Toss a Business Expansion Scheme around – it's fireproof! (8)
20 Refuse his job? (7)

Solution to Puzzle No.8,127



Solution and winners of Puzzle No.8,118



E. Horesh, Bath; L.J. Ford, Helsby, Cheshire; Ruth Russell, St Andrews; D.B. Thompson, Tavistock, Devon; T. Tutton, Marple, Cheshire; Kevin Ward, *Quorn, Leicestershire.*

Clear case of humanitarian horrors

While diplomats and leader writers talk rubbish, women and children die says **Dominic Lawson**

ON WEDNESDAY the US special envoy, Robert Bartholomew, met the former psychiatrist, and practising war criminal, Dr Radovan Karadzic. Dr Karadzic is more commonly referred to as "the leader of the Bosnian Serbs".

After his meeting Bartholomew proclaimed: "What we are saying to them very clearly – and by we, I mean the international community – is that the military and humanitarian horrors have to stop now." This is a fascinating sentence and deserves parsing.

What is meant by "very clearly"? Bartholomew was speaking in the context of Lady Thatcher's call on British and US television for immediate action against the Serbs to stop their massacre of Bosnian Muslims. Yet on the same day as Bartholomew made his position "clear", his boss, the US secretary of state, Warren Christopher Said: "Thatcher's prescription is one for only increasing the carnage . . . a rather emotional response."

So it is "clear" that the US, in spite of Bartholomew's brave words in Belgrade, is absolutely against providing or encouraging any military impediment to the Serbian bombardment of Bosnian civilians. The US,in fact, is interested in Bosnia only in so far as it affects relations with Russia, and since Russia sympathises with the Serbian viewpoint, the State Department will not jeopardise Bill Clinton's buddy buddy relationship with Boris Yeltsin, merely for the sake of a few million measly Muslims.

But Bartholomew claimed that by "we" he did not mean the US. He said "we" meant "the international community." This phrase should be consigned to the dustbin of diplomacy. It occurs about four times in every newspaper leading article on Bosnia. It is constantly on the lips of Douglas Hurd and Malcolm Rifkind, when they seek moral authority for their policy of giving the besieged Bosnians butter before guns.

What, actually, is the "international community", for whom Bartholomew, Christopher, Hurd, Rifkind et al, claim to speak? Who are the members of this club? Can anyone join? Does it consist of the entire membership of the UN?

Well, no. By common usage it does not include Libya or Iran. But does it include India? Is Chad "saying clearly" to Dr Karadzic "stop these humanitarian and military horrors now." I think the good people of Chad and their leaders know little of the troubles of the Bosnian Muslims and care even less.

Does "international community" mean just the security council of the UN? Well, no again, unless the UN envoy to Bosnia thinks that in his strictures to Dr Karadzic he is speaking on behalf of China's billions, but not for the Japanese population, disenfranchised from the great honour of membership of the UN security council. And what of South Africa? It used not be part of "the international community". Now, perhaps, it has country membership of this club.

Possibly, when Bartholomew refers to international community, he means only "those who regularly and reliably support the actions and utterances of the government of the US." That is quite a good working definition, particularly for Hurd and Rifkind. It means they – we – are quids in.

Back to parsing the US envoy's pregnant little sentence: what on earth does he mean by "humanitarian horrors"? Human horror I understand, but not this polysyllabic refinement. He surely does not mean horrors in the name of humanitarianism. But that, actually, is the truth. We have a policy of "humanitarian aid", which means that we are prepared to give food to the besieged Muslims of Srebrenica, but not to lift an arms embargo which prevents them from lifting the siege which is starving them, and which, when the city falls, will result in further murders of women and children.

The Muslim soldiers, will of course, escape Srebrenica: in this war it is the civilians who perish. In the name of "humanitarianism" we leave these people to their fate.

Hurd argues that to allow the Bosnians arms, would "increase the quantity of fighting." Indeed it would, just as when President Franklin Delano Roosevelt agreed to send arms to Britain in 1940 it increased "the quantity" of fighting in Europe: we were willing to fight more in the short term, in order to promote a just settlement for the long term. Unfortunately, the US is not now led by a man of the calibre of Roosevelt. As for Britain, Lady Thatcher is absolutely right: we should be ashamed of ourselves.

■ *Dominic Lawson is editor of The Spectator.*

Tony Andrews

Private View / **Christian Tyler**

The accountant who plays in the big league

Rick Parry, Premier League supremo, has created scoring chances. But will he get to kick the ball?

EVERYTHING is run by accountants these days, even English football. Was that really appropriate, I asked Rick Parry, chief executive of the Premier League, as its first season dribbles to a close.

"What can I say but 'Yes'?", he replied, adding hastily: "I don't really see myself as an accountant so much as somebody who is making use of the training."

With his big briefcase, little moustache and gently receding hairline Rick Parry, not yet 40, might pass for a successful computer salesman from Slough. His manner is brisk but bland. He employs the language of Briefcase Man ("at the end of the day" is a favourite phrase) but, to be fair, not once in two hours did he refer to The Bottom Line.

You call football "the product", I observed.

"I slip into it from time to time. I actually don't see it as a product because that's a gross oversimplification. To describe fans as customers is certainly unduly patronising.

"Nevertheless, there are certain basic lessons which need to be learned. Considering football has, or should have, a much more special relationship with its fans than any other business has with its customers it's remarkable how little football bothers to talk to its customers – far less than Sainsbury's or Marks & Spencer would, for example."

Isn't it odd to use an industry or product model for what is after all a game? Don't you represent the ultimate commercialisation of the sport?

"Not at all. I'm a fan at heart." He might have added that he was a good enough goalkeeper in his youth to be auditioned by Liverpool and Everton.

"Of course it's a sport, but that's too facile. At the end of the day it's a sport which pays participants huge wages. Clubs have to be run as businesses. They have to find about £250m to upgrade their stadia to comply with the Taylor Report [on ground safety]. It's much more than just a game – always was ever since it became professional. Two Premier League clubs are quoted companies." (At mid-week Manchester United stock went above 450p, a year's high; Tottenham Hotspur stood at 92p, near its low.)

"I'm a football fan through and through. I happen to have gained hopefully useful and relevant business experience. I'm not seen as a football person by insiders still, but I don't see myself as sort of grey businessman being brought in to become the sort of unacceptable face of football."

Nobody seems to know much about Rick Parry. Even his secretary could not think what to buy him for Christmas. He would be the first to admit he does not stand out in a crowd and, in a game of big mouths, is accused of having risen without trace. Yet the boy has come good; he's made the space, created the chances – a record £304m TV deal with BSkyB and BBC, a record £12m sponsorship from Bass – and he has dodged some heavy tackles from the hard men among the 22 club chairmen who make up the Premier League board.

The chief executive sat on a bar stool drinking Coke and shovelling peanuts into his mouth. He nodded to Graham Taylor, the England manager, as he passed through the hotel lobby. He took a call from the Premier League's non-executive chairman, Sir John Quinton, former chairman of Barclays Bank.

What interests you apart from football, I asked him.

"Nothing at the moment."

People say you are a closed book.

"Who says?"

The phrase is mine, I replied, but it's the impression you give. Yet you seem approachable enough.

"I am, if anyone bothers to approach me. The thing that gets up my nose with certain members of your profession is that I get patronising comments about what I'm attempting to do from people who've never met me.

"I don't go shouting from the rooftops. I'm not flamboyant, I'm not looking to make a name for myself. That's not my style. But I wouldn't say I was a closed book."

You don't go rock-climbing or potholing or breed Vietnamese pot-bellied pigs? What about stamp-collecting – or train-spotting? I added unkindly.

Parry did not flinch. "I don't really have a lot of time to climb mountains. I used to do a lot of windsurfing. I used to sail. I used to play a lot of football. I like going to the theatre when we get the chance. I'm very family-centred really."

He lives near Chester with his wife Kate, who has no interest in football, and their sons James (10) and Tom (8), both keen players, on a salary of £120,000 plus car. They are buying a new house about 300 yards from their present one.

A change of scenery is always nice, I said.

Parry ignored this too, and looked serious. He had endured a lot of hostile publicity last May, he said, when ITV was thwarted in its bid to screen the Premier League. The family felt the pressure and he was determined to preserve a stable home life.

Influenced by Brian Hall, a Liverpool player, who had studied science, Parry took two maths and physics at A level and read maths at Liverpool University. His father, the physical education instructor at Chester College, advised him to get a professional qualification. He joined the local branch of Arthur Young (now Ernst & Young), qualifying as a chartered accountant in 1979. He went to work for Hoseasons, the canal and cottage holiday company in East Anglia, returning to Arthur Young as a sporting and leisure consultant.

Through the firm's involvement with the 1984 Los Angeles Olympic Games and a series of connections and coincidences Parry was asked to co-ordinate Manchester's successive bids to host the Games. In between he was asked to advise the Football League on its managerial efficiency. In 1991, the Football Association, soccer's parent body, asked him to draw up a blueprint for the breakaway Premier League (the old first division).

What is your relationship with the club chairmen?

"It's good. It's fine. We've had hiccups, we've had problems, but no illusions. It ain't ever going to be easy with those 22. I've not come across such passions, such extremes, in any other form of working life."

What are they about these passions?

Parry sighed. "I mean, you name it. I mean, it's the nature of the game. They're competing against each other every Saturday. There are big clubs, there are small clubs, northern clubs, southern clubs. There's a lot of self-interest, but trying to do things for the greater good."

Do they make you feel a bit small, a bit too youthful?

He laughed ruefully. "No, they're OK actually. If you recognise that you've been given two ears and one mouth and you use them them in that sort of ratio it's quite helpful."

You're the tactful type?

"We try to be. Doing the groundwork is the best technique. It's very difficult in a room of 22 to run things off the cuff. Hugely difficult. We've managed it on occasions because there was so much to lose . . ."

We?

"Obviously the chairman plays an important role keeping order at the meetings."

Parry became chief executive almost by accident. He was still a consultant when he was asked to chair his first meeting. "I didn't duck fast enough", he said.

The clubs were going to decide whether or not to leave the League until someone pointed out that the meeting would become a shambles without a chairman. Parry's management training and Olympic committee experience came to his rescue. He took the trouble to visit all the clubs beforehand and listen to their gripes. "You have to work on the principle that nothing goes to the general meetings for a vote unless you know it's going to win. You don't put it on the agenda if you don't have a two-thirds majority."

'I've not come across such passions, such extremes, in any other form of working life'

There was a walk-out last year over the Bass sponsorship deal. Parry blamed time pressure. "At the last meeting the identical offer went through without having to be put to a vote. That's a mark of how things have settled," he said.

"I've never tried to give the impression that I know the answers. What I've tried to suggest is that perhaps I know the right questions. There are plenty of people in the game who can provide the right answers. What I've done a lot of in management consulting is to be a facilitator."

A referee?

"Not quite. It's more than being a referee because you have to draw them towards common conclusions rather than simply arbitrate. Facilitator is a better word. I've had a lot of training."

Group encounter training?

"Yes. The Arthur Young training technique."

So your ability to read a balance sheet is . . .

"About 0.5 per cent of what I do. I mean the accountancy side is nothing, frankly. It's the level of Week One of accountancy training. People pick on the fact that I happened to train as an accountant as a useful label to criticise me with."

Could you ever be accepted as the real leader of the Premier League?

"It may evolve. But one of the things I'm happiest about is that in the last six months I've largely managed to avoid the headlines."

You don't want to be known as Mr Football?

"I've no pretentions or desires in that direction. I will get my satisfaction from the thing being done properly. I've no desire to be seen as the one who did it." Parry said it so simply, it was hard not to believe him.

We talked about the inflation that would follow the League's huge TV contract. Parry said clubs were being forced not only to invest in their grounds but to dissuade players from accepting the "crazy money" offered by Italian clubs. It was a European market now. "Over there they are only allowed to use a certain number of foreign players but they buy players, they stockpile them to corner the market. That's terrifying.

"But at the end of the day this is back to what you said earlier. It isn't just a business. It's a sport and it's a sport which is all about winning and there is only one winner every year. So you'll never stop people playing for high stakes, and investing in excessive wages and transfer fees in order to win."

So you won't turn be able to turn a bear garden into a gentleman's club?

"It's too competitive. We'd lose part of the essence of the game if we did."

Queen sweeps the board

Michael Thompson-Noel

I HAVEN'T mentioned this before, but I and two friends have embarked on a series of chess lessons so as to prepare ourselves mentally for the Nigel Short-Garry Kasparov world title chess match in London in September. The two friends are: John Major, who is prime minister of Britain, and Queen Elizabeth II, who is head of the House of Windsor and not as glum as she's painted, in fact is rather fun.

We meet in great secrecy – no, *not* at Buckingham Palace – and our lessons last two hours. The reason for the secrecy is that our chess teacher is Nigel Short himself, the 27-year-old prodigy-genius-Dalek who will become Britain's first world chess champion (and earn a great fortune) if he beats the barbarian Kasparov.

We had a lesson yesterday. "Remember," said Nigel, "that chess is hard physically and mentally. Grappling with your opponent's psyche can be mentally very bruising. And don't think of it as intellectual. I mean, *I'm* not even clever, couldn't mend a fuse. Nor does it run in families. Heredity doesn't come into it. Top-class players come from a variety of backgrounds – I used to be working class. But never in chess history have they been fathered or mothered by first-rate parents. In chess terms, I mean."

"How extremely fascinating," said the Queen. "It is just the same with racehorses. Or even with actual dynasties. Top-class racehorses, such as winners of the Derby, almost never produce progeny that match their own exploits. One simply does not hear of it. As for actual dynasties, well there's a sorry tale." The Queen chimed with laughter, like a pink porcelain bell. "Most royal children set forth with all life's advantages, but fritter them away. They fall into unsavoury company. Develop a taste for the *theatre*. Talk to the trees and the sky. It must be in the blood. *Such* a *terrible* waste."

HAWKS & HANDSAWS

"How remarkably interesting," said John Major. Chess is quite like cricket, you know, in some of its particulars."

After these pleasantries we knuckled down to a tutorial on the Scotch gambit. "Remember," said Nigel, "with white openings we are trying to gain our share of the centre, best achieved by advancing the d- and e-pawns and developing at least one knight towards the middle. On appropriate occasions we find that a gambit proper, such as the Scotch, is most useful.

"After the opening 1, e4 e5; 2, Nf3 Nc6; 3, d4 exd4; 4, c3, the Scotch gambit continues 4 . . . dxc3; 5, Nxc3. Black often declines with 4 . . . d5, and then play can continue: 5, exd5, Qxd5; 6, cxd4 Bg4; 7, Be2. This gives us some highly active pieces. I expect I shall use it against the barbarian Kasparov."

John Major looked puzzled. "I must say, Nigel," he said, "that I am a bit in the dark on this one. I am not, as it were, illuminated. It sounds more than sufficiently complicated. It reminds me, I suppose, of the exchange rate mechanism of the European monetary system – remarkably clever on paper but liable to generate bother on a day-to-day basis."

"Nonsense," said the Queen. "It is a perfectly simple gambit. Even a *groom* could employ it. After 7, Be2, white continues with Nc3, Be3 and 0-0. It is *important* to castle early, John. It is true that white's queen pawn is isolated on d4, but as Nigel has just told us, there is more than adequate compensation for this in the general deployment of pieces."

"Absolutely right," said Nigel, "absolutely brill."

"I have to confess," said the prime minister, "that I am more than somewhat confused. I do not like gambits. In politics, you know, it pays to keep things simple, even to play a dead bat, to get up on a soapbox and not try to flim-flam. That is how I won the election, you know. I avoided all gambits."

The Queen said: "How simple life must be for you in No 10 Downing Street. One wishes one were so fortunate. In any case, John, even sharper than the Scotch gambit is the Goring gambit, in which 4 . . dxc3 is met by 5, Bc4 – and off we jolly well go."

Then we played some games. And then we chatted sociably. The Queen asked Nigel if he would have to pay much income tax if he beat the barbarian Kasparov.

"I hope not," said Nigel. "I've got a really brill accountant."

"So does oneself," said the Queen. "It did not, in fact, help one."